

AGENDA

BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

1. Call to Order
2. Roll Call
3. Approval of Agenda (A)
4. Public Comment: At this time, members of the public may comment on any item, within the jurisdiction of the SJVIA, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less. Anyone wishing to be placed on the agenda for a specific topic should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the desired date of appearance.
5. Approval of Minutes – Board Meeting of February 21, 2014 (A)
6. Receive and File Quarterly Financial Report (I)
7. Receive verbal report on actuarial review of the SJVIA as required by GASB 10 (I)
8. Receive and File Executive Claims Summary through February 2014 (I)
9. Receive and File Report on Upcoming Wellness Activities (A)
10. Approve the Acceptance of Revised Anthem Blue Cross Marketing Guidelines (A)
11. Authorization of the Release of Proposals and Execution of Participation Agreement(s) (A)
12. Approve the Revisions to the Participation Agreement for Non-founding Entities (A)
13. Adjournment

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MINUTES

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**Meeting Location:
Tulare County Employees' Retirement
Association Board Chambers
136 N Akers St
Visalia, CA 93291
February 21, 2014 9:00 AM**

1. Call to Order

Meeting was called to order by President Vander Poel at 9:02am.

2. Roll Call and Election of President and Vice President of the SJVIA Board of Directors (A)

Roll was called by Brittany Howell, Gallagher Benefit Services. In attendance were Director Case McNairy, Director Ennis, Director Larson, Director Poochigian, Director Vander Poel and Director Worthley. Director Borgeas arrived at 9:13am.

The Board Members discussed reversing the roles of the current President and Vice President. Director Case McNairy moved to approve the new roles of Debbie Poochigian as President and Pete Vander Poel as Vice President; the motion was seconded by Director Worthley. The motion passed unanimously.

3. Approval of Agenda

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

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

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

5. Approval of Minutes – Board Meeting of November 1, 2013 (A)

Director Ennis moved to approve the November 1, 2013 Meeting Minutes; the motion was seconded by Director Larson. The motion passed unanimously.

6. Receive and File Quarterly Financial Report (I)

Lawrence Seymour, ACTTC from Fresno County, gave an overview on the quarterly financial statements. SJVIA is currently operating on par with the budget. For the current quarter, revenue is 1% under budget, fixed expenses are 7% under budget and claims expenses are 2% under budget. Expenses for dental and vision are lagging behind by about 5% primarily due to the fact that these are new programs. Statistically, the variances are very minimal. The combined total of revenue and expenses resulted in a 3% reduction over budget.

Director Worthley inquired about the timeliness of payments in regards to the revenue line item. He specifically asked if it was a timing issue or if some of the entities are not making payments on time. Lawrence Seymour indicated it is most likely due to timing. He indicated that budgets are based on estimates so if there are any changes, such as employee counts, it could result in variances. Statistically, however, 1% is not a high variance.

Director Larson asked how the Affordable Care Act would impact our program in the coming years. Alan Thaxter, Gallagher Benefit Services, reverted back to past Board discussions and confirmed there will continue to be rising costs to the health plan due to the Affordable Care

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Act. He recalled an approximate number of 2.5 million in additional costs per year. Mark Tucker, Gallagher Benefit Services, also commented that these cost increases would be passed along to each entity regardless of being a part of SJVIA.

7. Receive and File 2011-12 Audited Financial Statements (I)

Lawrence Seymour introduced Price Paige & Company to present the financial statements. David Dybas, CPA, gave an overview of the audit findings. He highlighted on some new line items in the report including “unpaid claims and claims adjustment expenses” located under Liabilities and Operating Expenses. He mentioned now that SJVIA is operating under a Shared Risk model, it is a requirement to disclose GASB information.

Elaine Ko, CPA, presented the Adjusting Journal Entries section of the report. She explained that a lot of these journal entries are listed in order to reclassify them to a different area for presentation purposes. For example, capitation was previously listed under Liabilities and it was moved to the Expenses section. In addition, when the Shared Risk model was adopted, County of Fresno and County of Tulare transferred the claims funding to the SJVIA Account so this item was moved under the Claims Reserve section.

8. Receive and File Results of the GASB 10 Study (I)

Lawrence Seymour indicated this report was prepared by Demsey Filliger & Associates and it is a requirement by GASB 10. He explained that as he was not the one who prepared the report, he could not speak directly about it or its methods or approach. He also mentioned these reports would be prepared on an annual basis and it will be seen on the financial statements.

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Director Case McNairy requested that the actuary who prepared this report should present it on an annual basis in order to understand it better. Alan Thaxter indicated that it would be arranged for a future meeting.

9. Approve Revised 2013-14 Fiscal Year Budget (A)

Rhonda Sjostrom, SJVIA Assistant Manager, requested to readopt the Revised 2013-14 Fiscal Year Budget for SJVIA. The budget was adopted in September and since then we received the final stop loss rates, added 288 members as well as incorporated the two new entities. As a result of these items, revenues and expenditures have increased by \$6.2 million and ending reserves has increased by \$12,669.

Director Case McNairy asked if we would be in a better position if our fiscal year was changed to a calendar year due to needing to revise the budget for entities joining in January. Paul Nerland, SJVIA Manager, stated that with the current fiscal year budget cycle does require that the budget be adjusted after January 1st. He also mentioned that SJVIA initially adopted a calendar year budget and has since revised it to a fiscal year budget to match County of Fresno and County of Tulare. Lawrence Seymour added if this switch is made, everything would need to move including reporting, accounting, budgeting and all the business cycles to the calendar year, but there will always be timing differences of about 1% with all these factors.

Michele Mills, Gallagher Benefit Services, pointed out that most public sector groups are either on a January 1st or July 1st renewal cycle however, there are some entities that have renewal cycles throughout the year. Mark Tucker added that these groups who come on mid-year are transitioned to the calendar year that SJVIA health plans have

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adopted which typically results in a long plan year. This will usually always occur and is not likely to be eliminated.

Director Worthley moved to approve the Revised 2013-14 Fiscal Year Budget; the motion was seconded by Director Borgeas. The motion passed unanimously.

10. Discussion and Direction for Staff and Administration of the SJIVA (A)

Paul Nerland explained that this is being brought to the Board from a past agenda item regarding staffing issues within SJVIA. Currently, the administrative duties have been handled jointly by staff at both County of Fresno and Tulare. The recommendation of staff is not to hire full-time staff at this time, however, when the SJVIA grows larger, it would be an advantage to contract with either the County of Fresno or Tulare in order to avoid the cost of being the employer.

Director Borgeas asked if at some point it would be better to create an “employer/employee” scenario or contract out the administrative duties. Paul Nerland stated that contracting out may create issues of oversight such as signing off on documents, however, it may be beneficial to have more detailed conversations in the future on the subject. In addition, as larger entities join SJVIA, the Board may need to revisit the SJVIA governance and staffing options.

Director Vander Poel asked if it is coming to the point where the Counties are not able to keep up with the workload. Paul Nerland explained that even though the title of Manager and Assistant Manager rotates between Counties, certain functions have remained at either County which allows for administrative continuity. At this time, staff shared that the recommended action would assist in alleviating the growing administrative duties of the SJVIA. It was also pointed out

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that County of Fresno and Tulare have achieved efficiency in that some of these duties would be necessary whether or not in the SJVIA.

Director Vander Poel moved to approve the recommendation of Staff; the motion was seconded by Director Borgeas. The motion passed unanimously.

11. Receive and File Executive Claims Summary through December 2013 (I)

Alan Thaxter, Gallagher Benefit Services, presented the claims summary through December 2013. Large claims report shows only one claim for the whole year, which is a positive reflection on claims. Fixed costs are running at 9% which means out of every dollar, \$0.91 is being spent on claims. This reflects a very low fixed cost spend which compared to any insurance company, is extremely favorable.

Director Larson asked what the SJVIA has actually saved participating entities. Paul Nerland stated that the County of Fresno compared the SJVIA bid with other options in the first two years of the program and determined savings of \$2 million the first year and \$4 million the second year. Additionally, the SJVIA went out to bid for and participating entities were able to confirm the savings available through the SJVIA compared to a stand-alone option.

12. Receive and File Report from US Script for Prescription Benefit Plan (I)

Don Anderson, US Script, presented a follow-up Rx report requested at the last meeting. He mentioned this report reflects another three months of data however, has not changed significantly. In regards to specialty drugs, just over 1% of claims went toward these medications reflecting a decrease since the last report was presented in September. Generic drug utilization still needs to be higher and could contribute to

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major cost savings to the plan if raised; (Don stated that generic fill rates should be at least 82%).

In addition to this requested report, US Script went back to Walgreens on behalf of SJVIA and was able to get discounted rates. Due to this achievement, it is not recommended to change copays in order to incentivize members away from Walgreens.

13. Discussion and Direction for Efficient Use of Wellness Funds and Incentivizing Participation (A)

Paul Nerland explained that SJVIA currently collects \$3.00 per employee per month for wellness and communication. In regards to the measurable results of past wellness programs, participation, in relation to the entire population, has been minimal. However, Biometric Screenings and Mammograms are less costly through the SJVIA Wellness vendors rather than going to a provider. Staff is seeking approval for SJVIA to launch a pilot program that uses incentives for participation with the funds allocated for wellness.

Rhonda Sjostrom gave details on the pilot programs recently launched at County of Tulare with their Board's approval using internal funding for incentives. In addition, they have implemented a number of activities and webinars. So far, interest has been high and they have had great results among their employees.

Director Case-McNairy suggested looking further into the concept of Onsite Clinics in order to save costs. Paul Nerland confirmed that Staff has considered this concept and is in the process of gathering additional information about the approach.

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Leroy Tucker, Gallagher Benefit Services, gave an overview on the concept of these Onsite Clinics. Basically, these clinics are geared toward primary care and the goal is that the employees and dependents use the clinic onsite. This is a fixed cost, or a wholesale cost, to the entity but at no cost to the member.

Rhonda Sjostrom pointed out these clinics are popular among entities, typically Cities, who have a central location to house the clinic. Most Counties do not have central locations, rather they are spread out among the County. This is one of the concerns of Staff however, these clinics have had such a positive outcome therefore, we are continuing to explore the idea and bring those back to the Board.

Director Worthley moved to approve the pilot program and use of incentives; the motion was seconded by Director Ennis. The motion passed unanimously.

14. Direction on SJVIA Wellness Strategy for 2015 (A)

Paul Nerland gave an overview on the wellness strategy for 2015. Staff recommends an approach that demonstrates a measurable return on investment for the dollars spent. One area that could be improved upon is linking lifestyle management programs with disease management efforts. Staff is asking the Board's direction to pursue a more expanded effort for lifestyle and disease management and conduct a Wellness RFP.

Director Vander Poel moved to approve conducting a Wellness RFP that considers a more targeted effort toward lifestyle management programs; the motion was seconded by Director Ennis. The motion passed unanimously.

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15. Approval of the Inclusion of Post 65 Retirees under Kaiser Contract (A)

Rhonda Sjostrom asked for approval to include County of Tulare's Post 65 Retirees under the SJVIA for the Kaiser contract and authorize Chair to execute the Agreement. This includes seven Retirees currently on the plan.

Director Worthley moved to approve the inclusion of County of Tulare's Post 65 Retirees under the SJVIA Kaiser contract; the motion was seconded by Director Case McNairy. The motion passed unanimously.

16. Adjournment

Meeting was adjourned at 10:46am by President Poochigian.

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SJVIA

San Joaquin Valley
Insurance Authority

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Meeting Location:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014
9:00 AM

AGENDA DATE: April 25, 2014

ITEM NUMBER: 6

SUBJECT: Quarterly SJVIA financial update

REQUEST(S): That the Board receives the financial update through 3rd quarter, 2013-14

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 REVENUES & EXPENSES
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2014

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
REVENUE								
TOTAL REVENUE	\$23,649,487	\$23,288,908	(\$360,579)	(2%)	\$70,948,462	\$66,512,909	(\$4,435,553)	(6%)
EXPENSES: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	153,941	160,862	(6,921)	(4%)	461,823	444,487	17,336	4%
2 Anthem ASO Administration & Network Fees (PPO)	328,007	340,754	(12,747)	(4%)	984,020	974,135	9,885	1%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	176,475	165,466	11,009	6%	529,425	497,307	32,118	6%
4 GBS Consulting	108,600	116,445	(7,845)	(7%)	325,800	328,930	(3,130)	(1%)
5 SJVIA Administration	59,004	81,335	(22,331)	(38%)	177,012	238,389	(61,377)	(35%)
6 Wellness	67,875	10,725	57,150	84%	203,625	33,775	169,850	83%
7 Communications	13,575	25,506	(11,931)	(88%)	40,725	26,272	14,453	35%
8 Anthem HMO Pooling	338,748	328,300	10,448	3%	1,016,245	996,153	20,092	2%
9 Anthem HMO Administration/Retention	859,312	959,599	(100,287)	(12%)	2,577,935	2,115,532	462,403	18%
10 ACA Reinsurance (PPO)	40,647	0	40,647	100%	121,941	4,588	117,353	96%
TOTAL FIXED EXPENSES	2,146,184	2,188,992	(42,808)	(2%)	6,438,551	5,659,568	778,983	12%
EXPENSES: Claims								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	15,067,763	13,668,546	1,399,217	9%	45,203,289	42,604,234	2,599,055	6%
12 Anthem MMP HMO Capitation	4,089,842	3,927,230	162,612	4%	12,269,525	11,843,796	425,729	3%
TOTAL CLAIMS EXPENSES	19,157,605	17,595,776	1,561,829	8%	57,472,814	54,448,030	3,024,784	5%
EXPENSES: Premiums								
13 Delta Dental	1,363,515	1,454,159	(90,644)	(7%)	4,090,545	4,197,453	(106,908)	(3%)
14 Vision Service Plan	235,817	234,440	1,377	1%	707,450	699,208	8,242	1%
15 Kaiser Permanente	1,119,995	1,144,911	(24,916)	(2%)	3,359,985	1,160,996	2,198,989	65%
TOTAL PREMIUM EXPENSES	2,719,327	2,833,510	(114,183)	(4%)	8,157,980	6,057,657	2,100,323	26%
TOTAL EXPENSES	24,023,116	22,618,278	1,404,838	6%	72,069,345	66,165,255	5,904,090	8%
16 Reserve Deficit/Surplus	(373,629)	670,630	1,044,259	279%	(1,120,883)	347,654	1,468,537	131%
COMBINED EXPENSES & RESERVES	\$23,649,487	\$23,288,908	(\$360,579)	(2%)	\$70,948,462	\$66,512,909	(\$4,435,553)	(6%)

*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.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

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

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2014

Current Quarter

Year-To-Date

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
Revenue**	\$58,992	\$67,677
Expenses:		
Auditor-Treasurer Services	26,186	
County Counsel Services	757	
Personnel Services	12,025	
Membership Fees		
Insurance (Liability, Bond, Etc)	21,782	
Audit Fees	16,575	
Bank Service Fees	4,010	
Wellness		10,725
Communications		25,506
Total Expenses	81,335	10,725
Administration, Wellness & Communications Deficit/Surplus	(\$22,343)	\$56,952

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
Revenue**	\$171,776	\$200,319
Expenses:		
Auditor-Treasurer Services	94,318	
County Counsel Services	4,886	
Personnel Services	31,097	
Membership Fees		
Insurance (Liability, Bond, Etc)	71,444	
Audit Fees	24,500	
Bank Service Fees	12,144	
Wellness		33,775
Communications		26,272
Total Expenses	238,389	33,775
Administration, Wellness & Communications Deficit/Surplus	(\$66,613)	\$166,544

FY13-14

Revenue**

Expenses:

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

Total Expenses

Administration, Wellness & Communications Deficit/Surplus

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

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

SJVIA
Schedule of Cash Flow by Month
For the Nine Months Ended March 31, 2014

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
BEGINNING CASH BALANCES:										
Claims Funding Account-844535294	\$551,069	\$369,448	\$784,967	\$524,872	\$423,437	\$629,363	\$569,319	\$221,587	\$707,709	\$551,069
Fixed Cost Account-844535120	322,321	613,622	304,292	349,020	34,572	332,421	336,365	2,343,369	2,433,788	322,321
Claims Reserve Account-428255819	4,266,377	4,832,847	3,333,752	3,907,007	2,571,442	3,529,897	3,972,440	3,300,870	4,182,023	4,266,377
Total Beginning Balances	5,139,767	5,815,917	4,423,011	4,780,899	3,029,451	4,491,681	4,878,124	5,865,826	7,323,520	5,139,767
RECEIPTS:										
Claims Funding Account-844535294	2,673,807	4,395,424	3,273,144	3,696,488	3,513,644	3,702,300	2,678,747	2,600,291	3,974,737	30,508,582
Fixed Cost Account-844535120	2,244,415	2,348,918	2,300,236	3,425,918	3,067,577	2,320,277	4,268,308	4,522,568	5,654,974	30,153,191
Claims Reserve Account-428255819	4,916,508	4,427,610	5,206,785	4,900,900	5,328,350	5,626,514	3,439,500	5,033,656	5,830,753	44,710,576
TOTAL RECEIPTS	9,834,730	11,171,952	10,780,165	12,023,306	11,909,571	11,649,091	10,386,555	12,156,515	15,460,464	105,372,349
DISBURSEMENTS:										
Claims Funding Account-844535294	2,855,428	3,979,905	3,533,239	3,797,923	3,307,718	3,762,344	3,026,479	2,114,169	4,374,200	30,751,405
Fixed Cost Account-844535120	1,953,114	2,658,248	2,255,508	3,740,366	2,769,728	2,316,333	2,261,304	4,432,149	5,635,857	28,022,607
Claims Reserve Account-428255819	4,350,038	5,926,705	4,633,530	6,236,465	4,369,895	5,183,971	4,111,070	4,152,503	6,374,329	45,338,506
TOTAL DISBURSEMENTS	9,158,580	12,564,858	10,422,277	13,774,754	10,447,341	11,262,648	9,398,853	10,698,821	16,384,386	104,112,518
ENDING CASH BALANCES:										
Claims Funding Account-844535294	369,448	784,967	524,872	423,437	629,363	569,319	221,587	707,709	308,246	308,246
Fixed Cost Account-844535120	613,622	304,292	349,020	34,572	332,421	336,365	2,343,369	2,433,788	2,452,905	2,452,905
Claims Reserve Account-428255819	4,832,847	3,333,752	3,907,007	2,571,442	3,529,897	3,972,440	3,300,870	4,182,023	3,638,447	3,638,447
Total Ending Balances	\$5,815,917	\$4,423,011	\$4,780,899	\$3,029,451	\$4,491,681	\$4,878,124	\$5,865,826	\$7,323,520	\$6,399,598	\$6,399,598
Investments:										
Total Ending Balances	\$5,027,974	\$5,027,974	\$5,039,948	\$5,039,948	\$5,039,948	\$5,053,890	\$5,053,890	\$5,053,890	\$5,065,073	\$5,065,073

The SJVIA invested \$5 million into the County of Tulare pool on December 21, 2012. These funds were moved from the JP Morgan Chase "Claims Reserve Account". The yield earned for the quarter ended 3/31/14 was .90% with quarterly earnings of \$11,183.

Glossary of Terms:

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

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

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

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

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

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

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

4 **GBS Consulting**

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

5 **SJVIA Administration**

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

6 **Wellness**

This rate category is for special claims management services and may include some wellness applications that are outside and additional to the claims management services provided by the insurance company.

7 **Communications**

This rate category is for special employee communication materials and prospective new City/County member promotional materials. It may include fees for maintaining a presence at such trade associations as CALPELRA, etc.

8 **Anthem HMO Pooling**

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

9 **Anthem HMO Administration/Retention**

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

10 **ACA Reinsurance (PPO)**

The Affordable Care Act (ACA) includes the following fees on insurance plans: 1) Patient Centered Outcomes Research Institute (PCORI) 2) Transitional Reinsurance Fee

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 **Reserve Surplus/Deficit**

Excess revenue over claims, premiums and fixed costs.



BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

AGENDA DATE: April 25, 2014

ITEM NUMBER: 7

SUBJECT: Receive verbal report on actuarial review of the SJVIA as required by GASB 10

REQUEST(S): That the Board receive a verbal report on the actuarial review of the SJVIA as required by GASB 10 for the period ending June 30, 2012

DESCRIPTION:

At the February 21, 2014 Board meeting Auditor-Treasurer staff presented the results of an [actuarial review of the SJVIA](#) as required by GASB 10 for the period ending June 30, 2012. Governing Accounting Standards Board (GASB) Statement No. 10 establishes accounting and financial reporting standards for risk financing and insurance-related activities of state and local governmental entities, including public entity risk pools, like the SJVIA. The risks of loss that are included within the scope of this Statement include torts; theft of, damage to, or destruction of assets; business interruption; errors or omissions; job-related illnesses or injuries to employees; acts of God; and any other risks of loss assumed under a policy or participation contract issued by a public entity risk pool. Also included are risks of loss resulting when an entity agrees to provide accident and health, dental, and other medical benefits to its employees.

The purpose of the GASB 10 study is to analyze past claims history and project future plan costs as well as a projected Incurred but Not Reported reserves. The SJVIA is required to have GASB 10 study performed annually and [the report received on February 21, 2014](#) was the first time that such a report came to your Board. As a result, your Board requested that the actuary who performed the study participate in a ~~Board~~ a future Board meeting to answer questions about the report and explain the methodology of the review.

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 25, 2014

Lou Filliger, with Demsey, Filliger, & Associates, is the actuary who worked with SJVIA and Gallagher Benefit Services personnel to complete the required study. Mr. Filliger will be joining the Board meeting via conference call to provide an overview and answer any questions from your Board. He specializes in the design and pricing of retiree medical programs, for both public and private sector clients and also provides the actuarial valuations and certifications required for many self-funded health and welfare plans.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager

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

IN THE MATTER OF Receiving verbal report on actuarial review of the SJVIA
as required by GASB 10

RESOLUTION NO. _____
AGREEMENT NO. _____

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board received a verbal report on the actuarial review of the SJVIA as
required by GASB 10 for the period ending June 30, 2012



BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

AGENDA DATE: April 25, 2014

ITEM NUMBER: 8

SUBJECT: Receive and File Executive Claims Summary through February 2014

REQUEST(S): That the Board Receive and File Executive Claims Summary through February 2014

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 (page 3). This summary details on-going claims that are over \$100,000 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.

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 25, 2014

In addition to the founding Counties (Fresno and Tulare), this report includes data for:

- City of Tulare, which began participating in the SJVIA effective July, 2012
- City of Ceres, which joined SJVIA effective January 2013
- City of Waterford, which joined the SJVIA effective June 2013
- City of San Joaquin, which joined the SJVIA effective July 2013
- City of Shafter, which joined the SJVIA effective July 2013
- City of Sanger, which joined the SJVIA effective July 2013
- City of Gustine, which joined the SJVIA effective October 2013
- City of Riverbank, which joined the SJVIA effective January 1, 2014
- City of Newman, which joined the SJVIA effective January 1, 2014
- City of Reedley, which joined the SJVIA effective January 1, 2014
- City of Wasco, which joined the SJVIA effective January 1, 2014
- City of Farmersville, which joined the SJVIA effective January 1, 2014

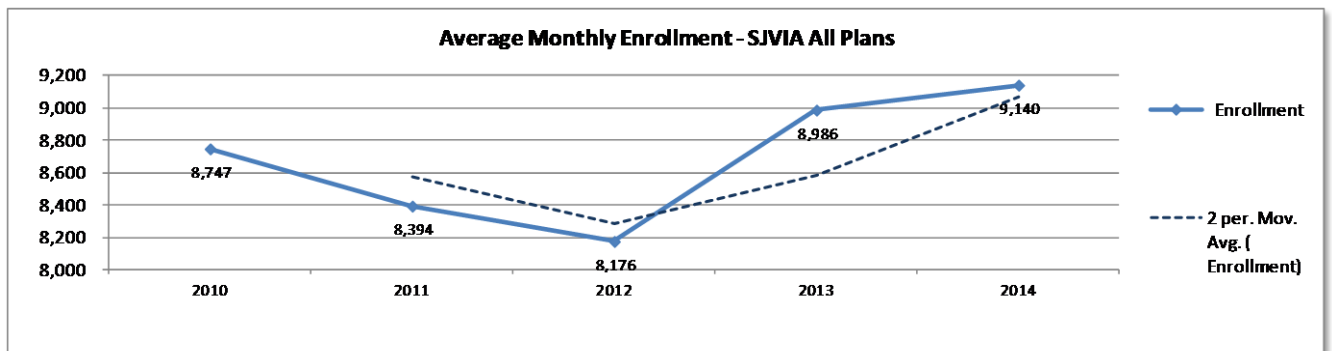
Comparing claims “Per Employee Per Month” (PEPM) can be a good indicator of overall medical inflationary trends. The overall yearly averages are below:

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 (through February)	<u>\$725.45</u> PEPM	<u>\$551.48</u> PEPM	<u>\$650.81</u> PEPM

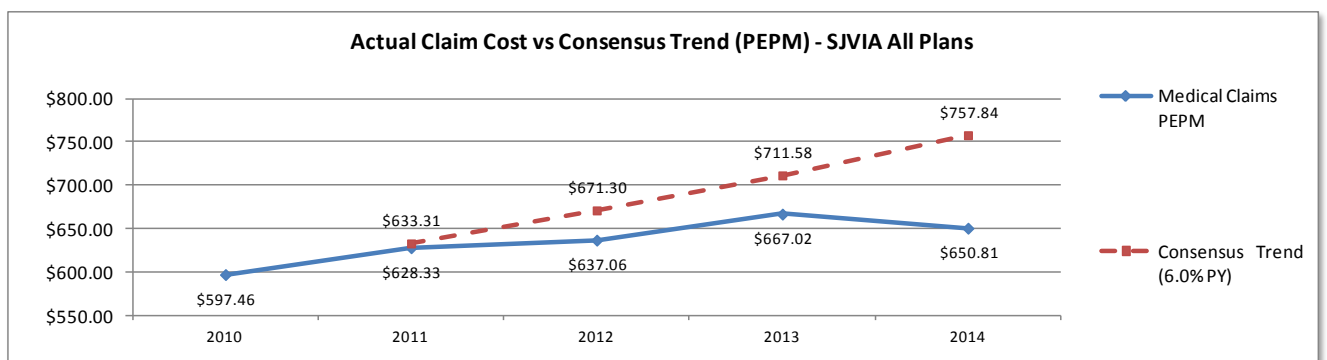
AGENDA: San Joaquin Valley Insurance Authority

DATE: April 25, 2014

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 mentioned above. Membership continues to grow in 2014 as a result of new entities joining 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.



Overall weighted medical trend since inception of the SJVIA has been 2.61%

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 25, 2014

FISCAL IMPACT/FINANCING:

None

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager

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

IN THE MATTER OF Receiving and filing Executive Claims Summary through
February 2014

RESOLUTION NO. _____
AGREEMENT NO. _____

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board received and filed Executive Claims Summary through
February 2014



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

Executive Claims Report

Data through February 2014

GALLAGHER BENEFIT SERVICES | APRIL 25, 2014



SJVIA

San Joaquin Valley
Insurance Authority

Large Claim Report - 2014 YTD

Potential Large Dollar Claimants >\$200,000
January 1, 2014 through December 31, 2014 as of February 28, 2014

HMO Plan

Pooling Point \$400,000

Relationship	Paid	Diagnosis	Reimbursement
Total HMO Pooling Reimbursements			\$ -

PPO Plan

Stop Loss Deductible \$450,000

Relationship	Paid	Diagnosis	Reimbursement
Total PPO Stop Loss Reimbursements			\$ -

Total SJVIA Pooling and Stop Loss Reimbursements			\$ -
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Large Claim Report - 2013

Potential Large Dollar Claimants >\$200,000

January 1, 2013 through December 31, 2013 as of February 2014

HMO Plan

Pooling Point \$400,000

Relationship	Paid	Diagnosis	Reimbursement
Dependent	\$ 392,339	Circulatory System (05)	\$ -
Dependent	\$ 340,656	Myeloid Disorders (17)	\$ -
Dependent	\$ 322,211	Injuries/Poisonings (21)	\$ -
Subscriber	\$ 285,910	Myeloid Disorders (17)	\$ -
Subscriber	\$ 273,662	Nervous System (01)	\$ -
Dependent	\$ 215,661	Hepatobiliary (07)	\$ -
Subscriber	\$ 213,456	Ear/Nose/Throat Disorders (08)	\$ -
Dependent	\$ 202,454	Newborns (15)	\$ -
Total HMO Pooling Reimbursements			\$ -

PPO Plan

Stop Loss Deductible \$450,000

Relationship	Paid	Diagnosis	Reimbursement
Subscriber	\$ 479,395	Injuries/Poisonings (21)	\$ 29,395
Dependent	\$ 223,672	Circulatory System (05)	\$ -
Subscriber	\$ 203,726	Nervous System (01)	\$ -
Total PPO Stop Loss Reimbursements			\$ 29,395

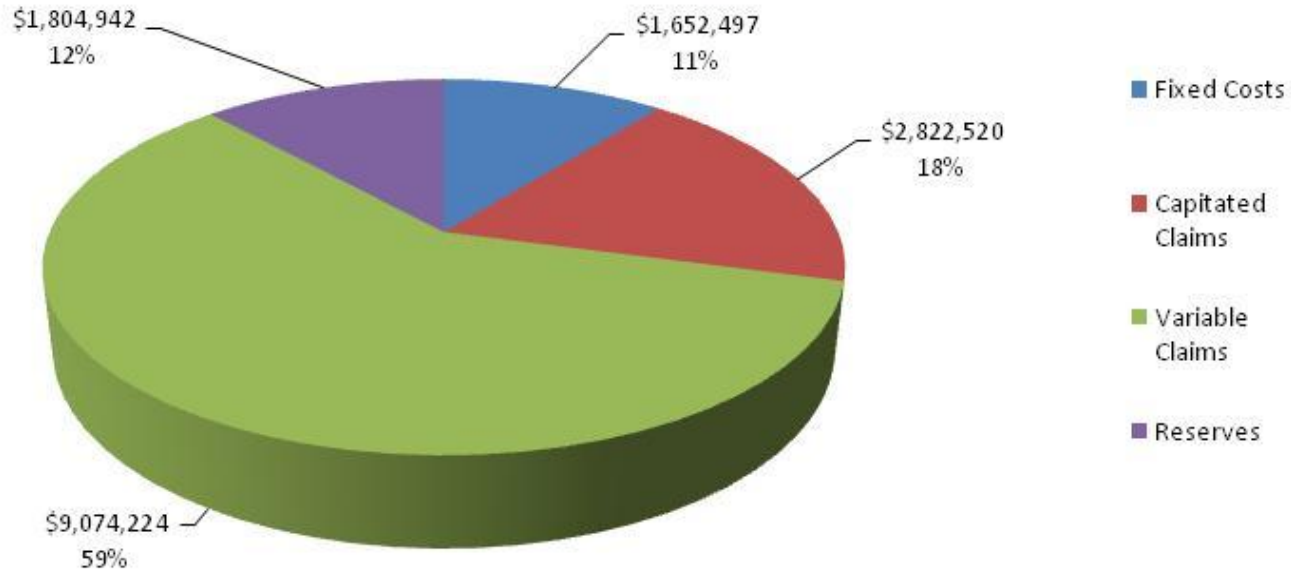
Total SJVIA Pooling and Stop Loss Reimbursements			\$ 29,395.00
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ALL PLANS

All Plans

2014 YTD Premium Breakdown

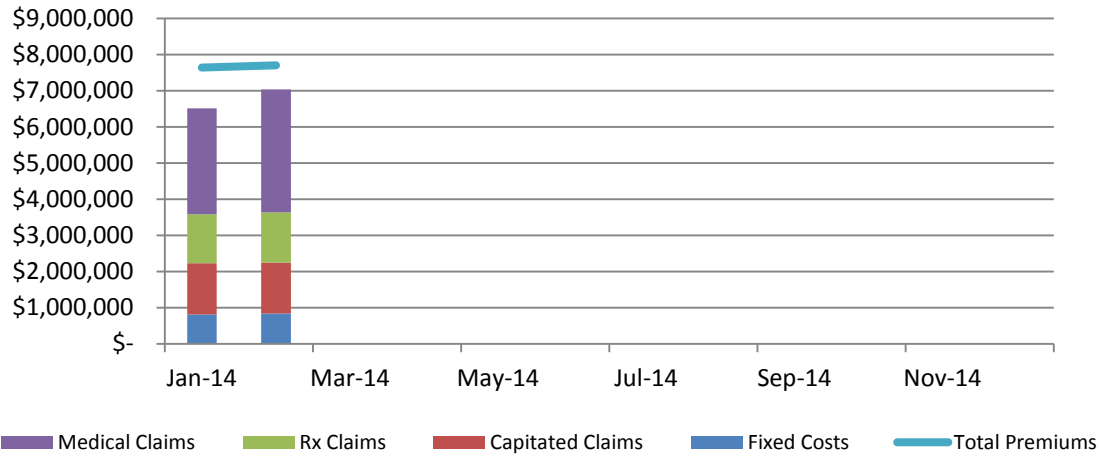


2014 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 815,392	\$ 837,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,652,497
Capitated Claims	\$ 1,410,719	\$ 1,411,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,822,520
Variable Claims	\$ 4,288,528	\$ 4,785,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,074,224
Reserves	\$ 1,134,090	\$ 670,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,804,942
Total	\$ 7,648,729	\$ 7,705,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,354,183

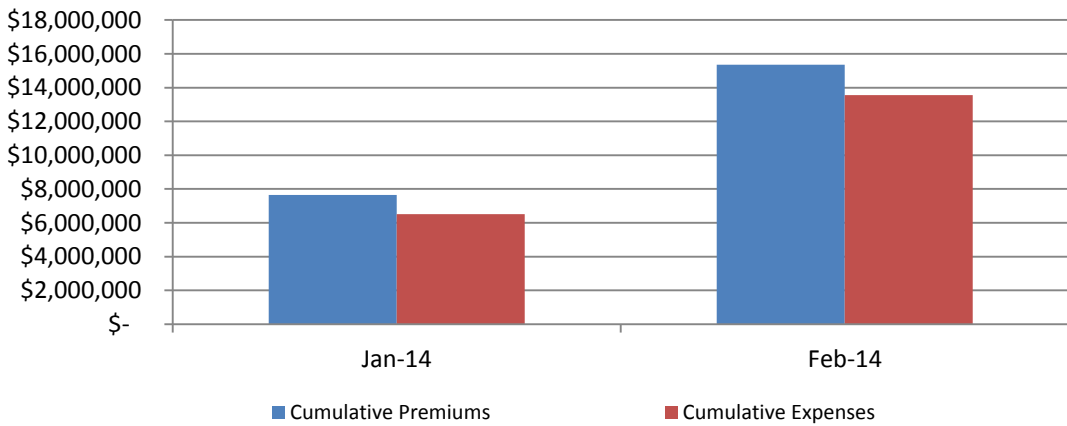
2013 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 583,834	\$ 586,580	\$ 587,395	\$ 588,830	\$ 571,851	\$ 590,070	\$ 600,266	\$ 599,320	\$ 598,739	\$ 597,696	\$ 597,801	\$ 598,073	\$ 7,100,456
Capitated Claims	\$ 1,282,850	\$ 1,290,885	\$ 1,298,101	\$ 1,305,832	\$ 1,297,722	\$ 1,311,837	\$ 1,321,827	\$ 1,318,659	\$ 1,321,540	\$ 1,317,492	\$ 1,317,159	\$ 1,321,465	\$ 15,705,371
Variable Claims	\$ 4,405,587	\$ 4,100,037	\$ 4,977,785	\$ 4,528,889	\$ 4,764,080	\$ 4,401,965	\$ 5,173,542	\$ 5,333,286	\$ 4,410,735	\$ 5,671,241	\$ 4,409,107	\$ 4,007,898	\$ 56,184,152
Reserves	\$ 148,703	\$ 468,101	\$ (408,902)	\$ 28,446	\$ (199,305)	\$ 172,246	\$ (431,708)	\$ (590,151)	\$ 271,269	\$ (1,003,337)	\$ 249,080	\$ 653,418	\$ (642,140)
Total	\$ 6,420,974	\$ 6,445,603	\$ 6,454,378	\$ 6,451,998	\$ 6,434,347	\$ 6,476,118	\$ 6,663,927	\$ 6,661,115	\$ 6,602,284	\$ 6,583,092	\$ 6,573,148	\$ 6,580,855	\$ 78,347,839

All Plans

Total Premiums & Expenses - 2014

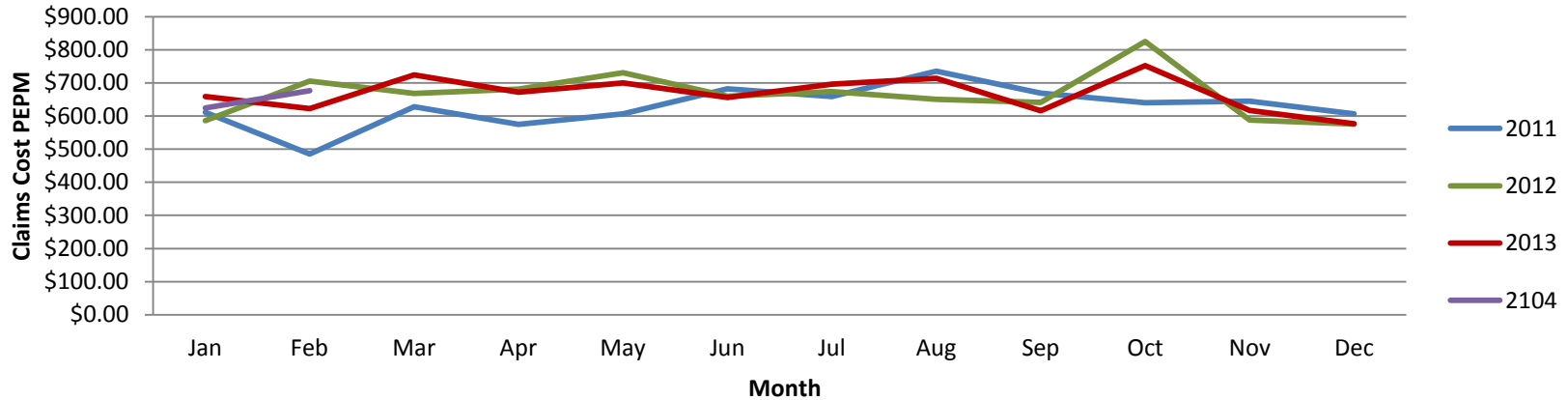


Cumulative Premiums & Expenses - 2014

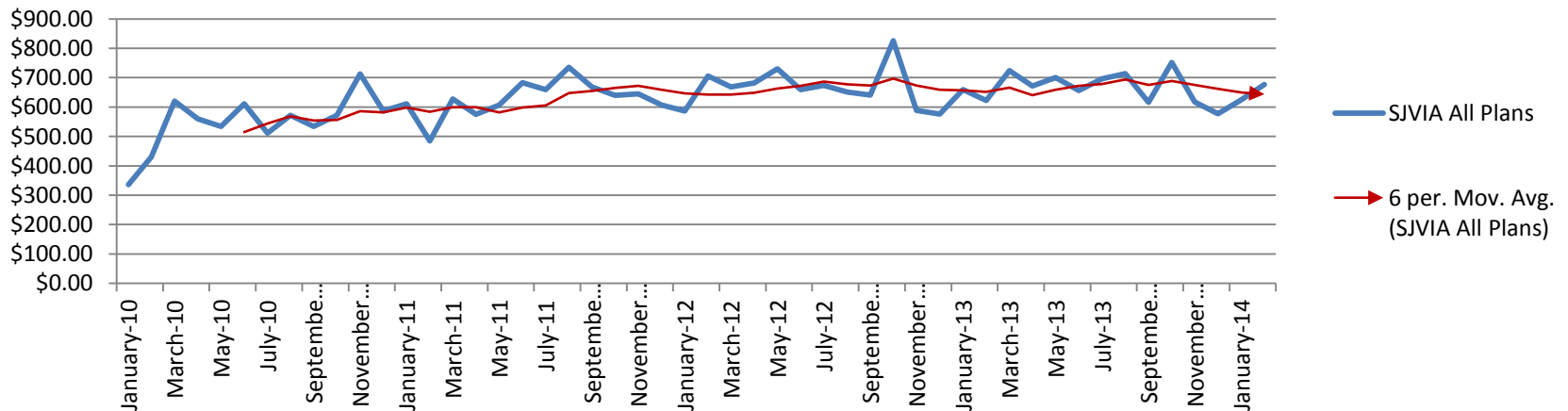


All Plans

SJVIA 2011 - 2014 All Plans (Year Over Year) - Claims PEPM



SJVIA All Plans - Claims PEPM

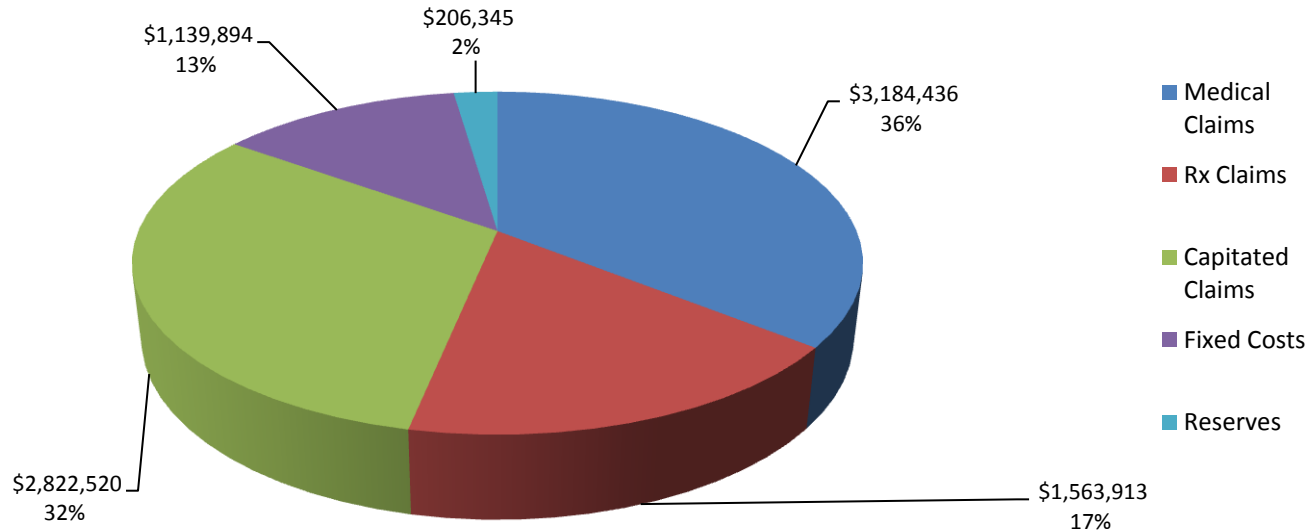




HMO PLAN

HMO Plan

YTD HMO Premium Breakdown - 2014

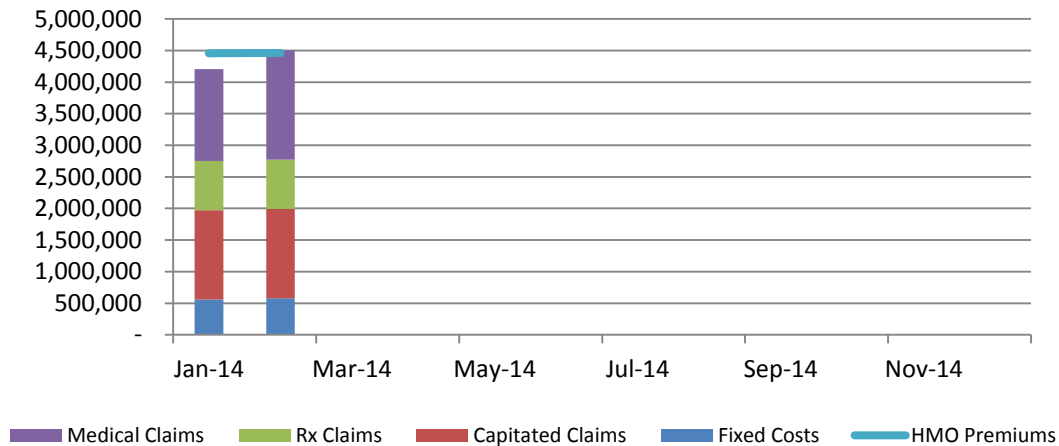


2014 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 560,005	\$ 579,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,139,894
Capitulated Claims	\$1,410,719	\$1,411,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,822,520
Medical Claims	\$1,453,837	\$1,730,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,184,436
Rx Claims	\$ 782,651	\$ 781,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,563,913
Reserves	\$ 250,472	\$ (44,127)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,345
Total	\$4,457,684	\$4,459,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,917,109

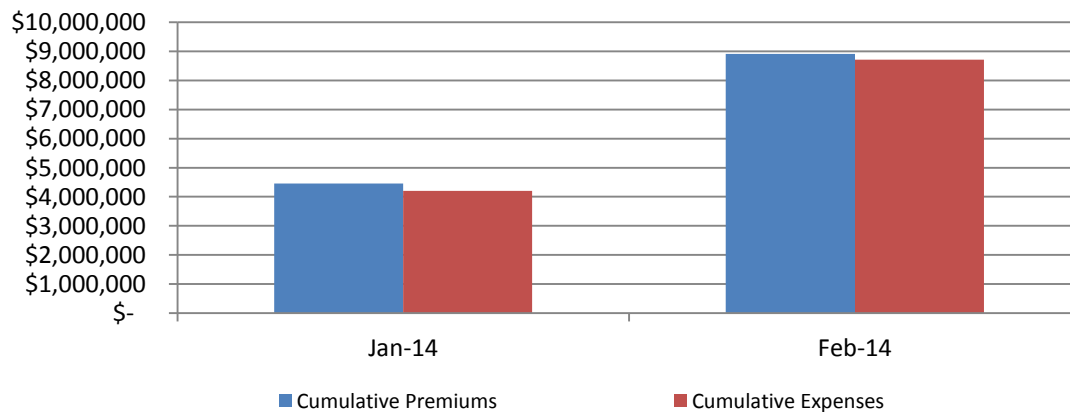
2013 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 377,213	\$ 379,829	\$ 381,908	\$ 384,137	\$ 381,549	\$ 384,799	\$ 386,766	\$ 385,862	\$ 386,775	\$ 385,639	\$ 385,905	\$ 386,884	\$ 4,607,267
Capitulated Claims	\$1,282,850	\$1,290,885	\$1,298,101	\$1,305,832	\$ 1,297,722	\$1,311,837	\$1,321,827	\$ 1,318,659	\$1,321,540	\$ 1,317,492	\$1,317,159	\$1,321,465	\$15,705,371
Medical Claims	\$1,758,813	\$1,553,541	\$2,201,042	\$1,884,434	\$ 2,236,723	\$1,588,607	\$2,184,670	\$ 2,006,960	\$1,907,913	\$ 2,557,500	\$1,744,290	\$1,529,322	\$23,153,816
Rx Claims	\$ 713,502	\$ 664,853	\$ 721,627	\$ 757,054	\$ 741,845	\$ 683,590	\$ 742,765	\$ 758,755	\$ 766,216	\$ 706,425	\$ 665,364	\$ 692,614	\$ 8,614,610
Reserves	\$ (113,573)	\$ 153,590	\$ (542,626)	\$ (261,435)	\$ (604,013)	\$ 126,718	\$ (512,265)	\$ (354,353)	\$ (262,372)	\$ (861,614)	\$ (13,160)	\$ 181,196	\$ (3,063,907)
Total	\$4,018,805	\$4,042,699	\$4,060,052	\$4,070,023	\$ 4,053,826	\$4,095,550	\$4,123,763	\$ 4,115,884	\$4,120,072	\$ 4,105,442	\$4,099,559	\$4,111,482	\$49,017,156

HMO Plan

HMO Total Expenses & Premiums - 2014

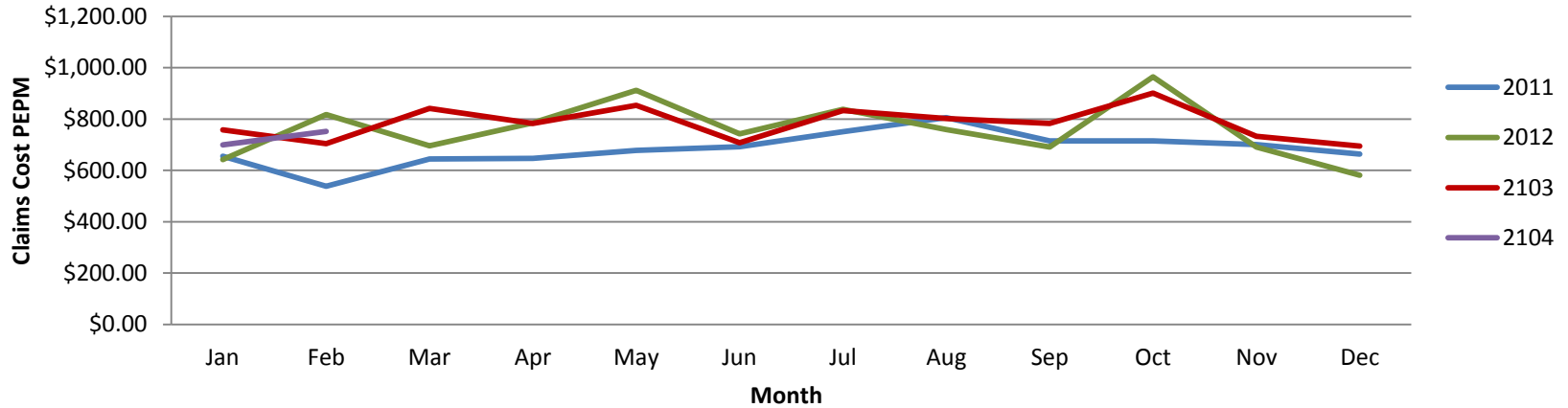


HMO Cumulative Premiums & Expenses -2014

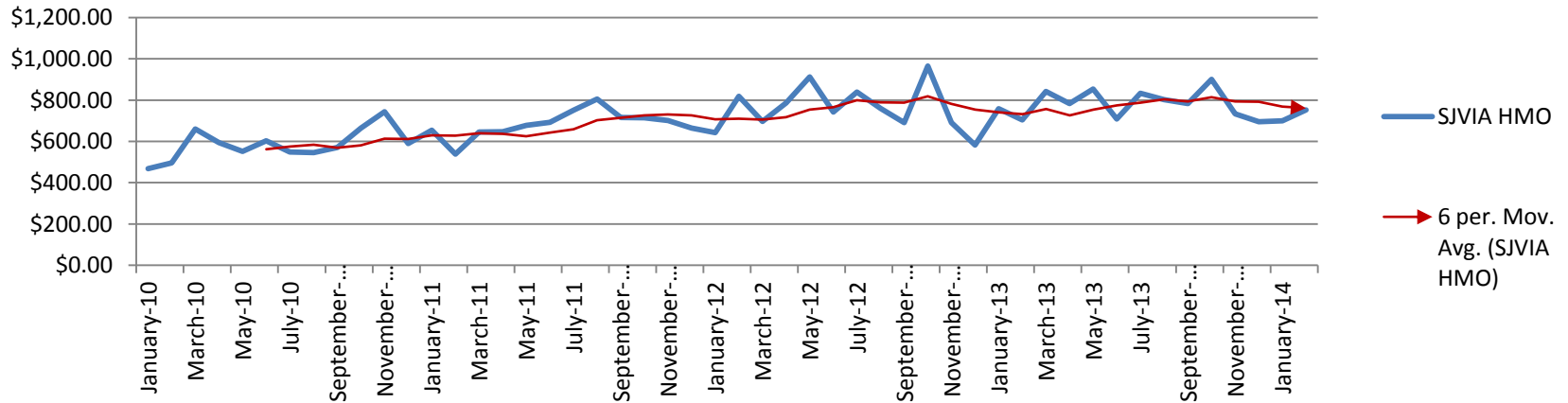


HMO Plan

2011 - 2014 HMO (Year Over Year) - Claims PEPM



HMO Claims PEPM

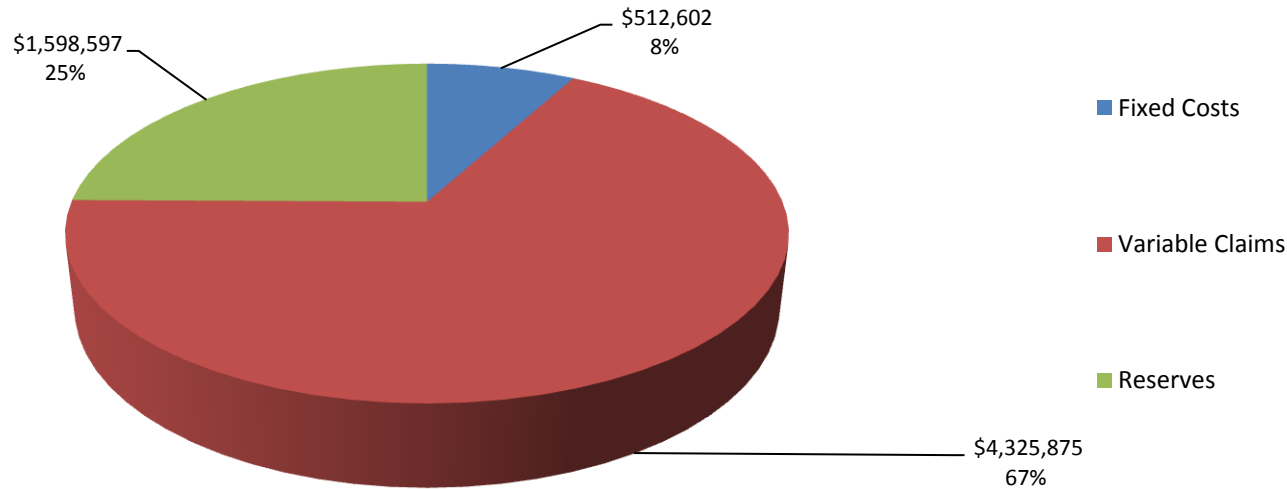




PPO PLANS

PPO Plans

YTD PPO Premium Breakdown - 2014

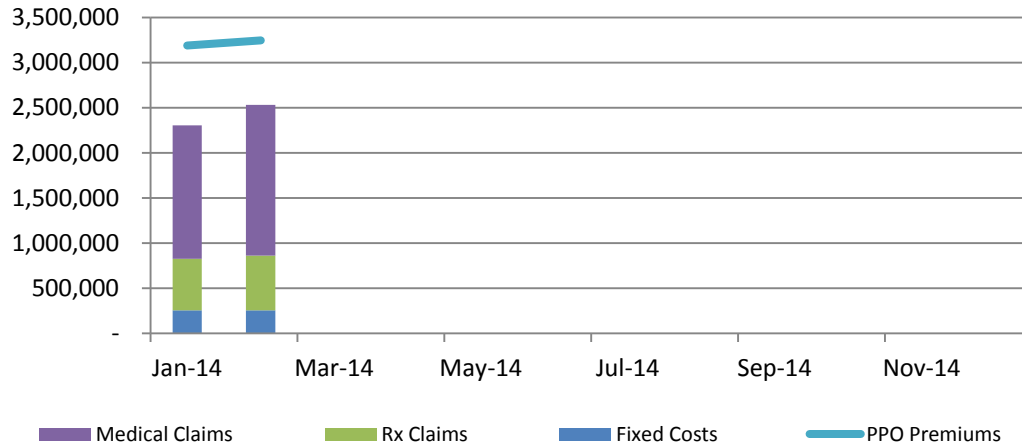


2014 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 255,387	\$ 257,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512,602
Variable Claims	\$ 2,052,040	\$ 2,273,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,325,875
Reserves	\$ 883,618	\$ 714,979	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,598,597
Total	\$ 3,191,045	\$ 3,246,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,437,074

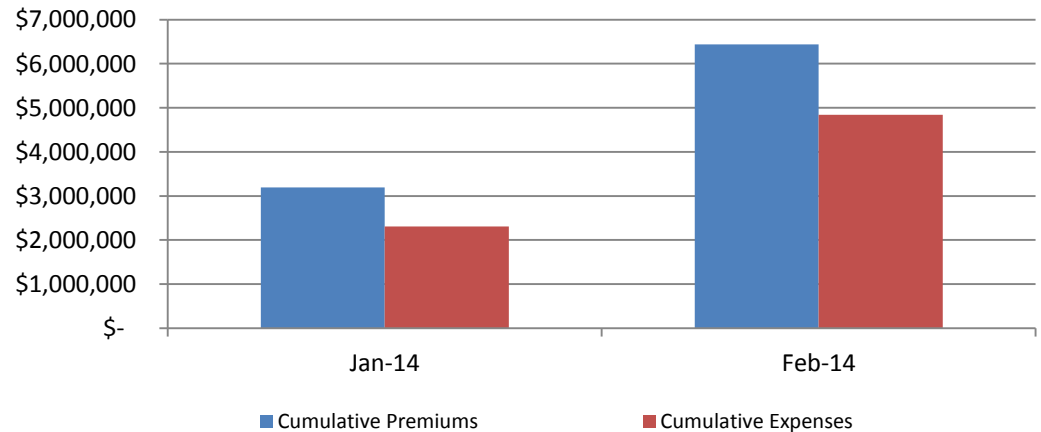
2013 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 206,621	\$ 206,752	\$ 205,486	\$ 204,694	\$ 190,302	\$ 205,271	\$ 213,500	\$ 213,458	\$ 211,964	\$ 212,057	\$ 211,896	\$ 211,189	\$ 2,493,189
Variable Claims	\$ 1,933,272	\$ 1,881,643	\$ 2,055,116	\$ 1,887,401	\$ 1,785,512	\$ 2,129,769	\$ 2,246,107	\$ 2,567,571	\$ 1,736,607	\$ 2,407,316	\$ 1,999,453	\$ 1,785,962	\$ 24,415,727
Reserves	\$ 262,276	\$ 314,510	\$ 133,725	\$ 289,881	\$ 404,708	\$ 45,528	\$ 80,557	\$ (235,798)	\$ 533,641	\$ (141,723)	\$ 262,240	\$ 472,222	\$ 2,421,768
Total	\$ 2,402,169	\$ 2,402,904	\$ 2,394,326	\$ 2,381,975	\$ 2,380,522	\$ 2,380,568	\$ 2,540,165	\$ 2,545,231	\$ 2,482,212	\$ 2,477,650	\$ 2,473,589	\$ 2,469,373	\$ 29,330,683

PPO Plans

PPO Total Expenses & Premiums - 2014

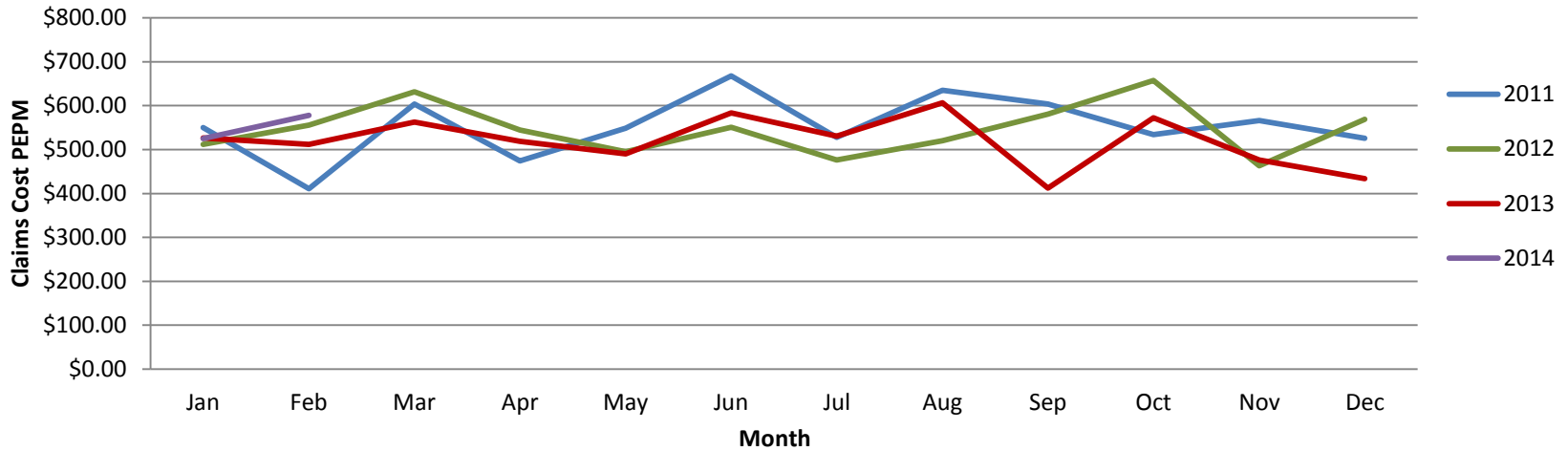


PPO Cumulative Premiums & Expenses - 2014

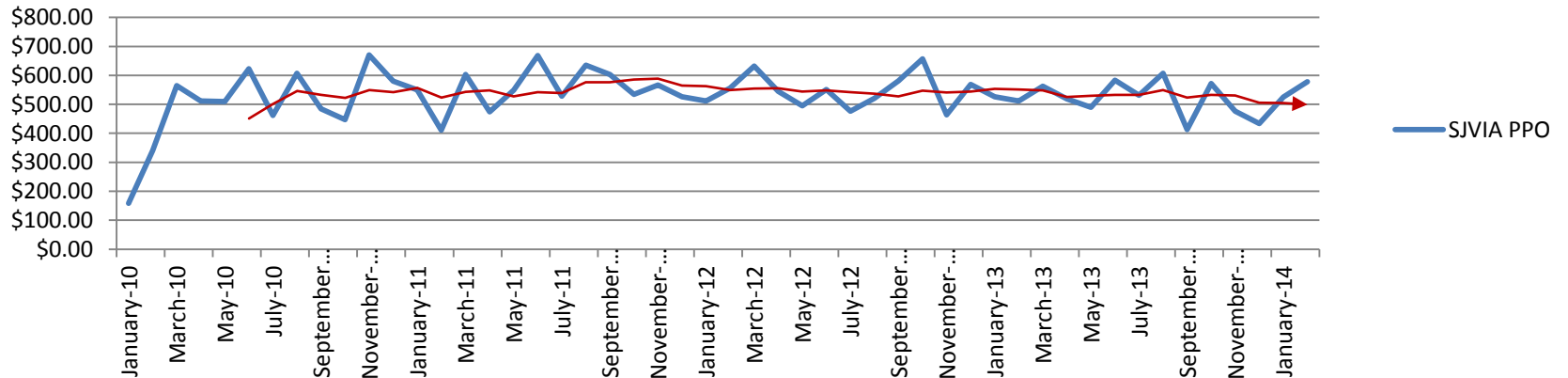


PPO Plans – PEPM

2011 - 2014 PPO (Year Over Year) - Claims PEPM



PPO Claims PEPM





MONTHLY DATA

All Plans Combined


2014 SJVIA Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	5,343	5,328	0	0	0	0	0	0	0	0	0	0	10,671
- Employee + Spouse	1,059	1,063	0	0	0	0	0	0	0	0	0	0	2,122
- Employee + Child(ren)	1,579	1,594	0	0	0	0	0	0	0	0	0	0	3,173
- Employee + Family	1,143	1,171	0	0	0	0	0	0	0	0	0	0	2,314
SJVIA Total Enrollment	9,124	9,156	0	0	0	0	0	0	0	0	0	0	18,280
SJVIA Total Premiums	\$7,648,729	\$7,705,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$15,354,183
SJVIA Premiums PEPM	\$ 838.31	\$ 841.57											\$ 839.94
SJVIA Total Claims	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Medical Claims	\$ 2,934,309	\$ 3,399,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,333,644
- Rx Claims	\$ 1,354,219	\$ 1,386,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,740,580
- Stop-Loss Refunds	\$ -	\$ -										\$ -	\$ -
- Capitated Claims (HMO)	\$ 1,410,719	\$ 1,411,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,822,520
SJVIA Total Claims	\$5,699,247	\$6,197,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$11,896,744
SJVIA Claims PEPM	\$ 624.64	\$ 676.88											\$ 650.81
SJVIA Fixed Costs	\$ 815,392	\$ 837,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,652,497
SJVIA Total Costs	\$6,514,639	\$7,034,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$13,549,241
SJVIA Cost PEPM	\$ 714.01	\$ 768.31											\$ 741.21
SJVIA Total Reserve - Increase/(Decrease)	\$1,134,090	\$ 670,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,804,942
Reserve % of Non Cap. Claims	26.4%	14.0%											19.9%

HMO Plan

2014 HMO Enrollment	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	2,402	2,406											4,808
- Employee + Spouse	640	638											1,278
- Employee + Child(ren)	1,435	1,434											2,869
- Employee + Family	739	742											1,481
HMO Total Enroll.	5,216	5,220	0	0	0	0	0	0	0	0	0	0	10,436
HMO Premiums	4,457,684	4,459,425											\$ 8,917,109
HMO Premiums PEPM	\$ 854.62	\$ 854.30											\$ 854.46
HMO Claims	January	February											YTD Totals
- Medical Claims	1,453,837	1,730,599											\$ 3,184,436
- Rx Claims	782,651	781,262											\$ 1,563,913
- Capitated Claims	1,410,719	1,411,801											\$ 2,822,520
Pooling Reimbursements													
HMO Total Claims	\$ 3,647,207	\$ 3,923,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,570,869
HMO Claims PEPM	\$ 699.23	\$ 751.66											\$ 725.46
HMO Fixed Costs	560,005	579,890											\$ 1,139,894
HMO Total Costs	\$ 4,207,212	\$ 4,503,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,710,764
HMO Costs PEPM	\$ 806.60	\$ 862.75											\$ 834.68
HMO Plan Reserve - Increase/(Decrease)	\$ 250,472	\$ (44,127)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,345
Reserve % of Non Cap. Claims	11.2%	-1.8%											4.3%

PPO Plans

2014 PPO Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	2,941	2,922											5,863
- Employee + Spouse	419	425											844
- Employee + Child(ren)	144	160											304
- Employee + Family	404	429											833
PPO Plans Total Enrollment	3,908	3,936	0	0	0	0	0	0	0	0	0	0	7,844
PPO Plans Total Premiums	3,191,045	3,246,029											\$ 6,437,074
PPO Premiums PEPM	\$ 816.54	\$ 824.70											\$ 820.64
PPO Plans Total Claims	January	February											YTD Totals
- Medical Claims	1,480,472	1,668,736											\$ 3,149,208
- Rx Claims	571,568	605,099											\$ 1,176,667
- Stop-Loss Refunds													
PPO Plans Net Claims	\$ 2,052,040	\$ 2,273,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,325,875
PPO Plans Claims PEPM	\$ 525.09	\$ 577.70											\$ 551.49
PPO Plans Fixed Costs	255,387	257,215											\$ 512,602
PPO Plans Total Costs	\$ 2,307,428	\$ 2,531,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,838,477
PPO Plans Cost PEPM	\$ 590.44	\$ 643.05											\$ 616.84
PPO Plans Total Reserve - Increase/(Decrease)	\$ 883,618	\$ 714,979	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,598,597
Reserve % of Net Claims	43.1%	31.4%											37.0%



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
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

AGENDA DATE: April 25, 2014

ITEM NUMBER: 9

SUBJECT: Receive and File Report on the Upcoming Wellness Activity

REQUEST(S): That the Board receive and file the report on the upcoming wellness activity

DESCRIPTION:

For the last two years, the SJVIA has sponsored a "Walking Works" challenge for employees of SJVIA member entities as part of the wellness program. Historically, pedometers have been sponsored by Anthem Blue Cross, Health Now Administrative Services, and Delta TeamCare. Also, prizes for walking challenge participants were donated by all SJVIA vendors and included bikes, Fitbits, giftcards, etc. The walking challenge has been very successful and well received in past and is planned for the week of May 5th – 9th. SJVIA staff and Gallagher Benefit Services have been working with Anthem, Delta TeamCare, and other vendors to secure sponsorship for this year's event including pedometers, tote bags, water bottles, and prizes.

Communications have been sent out to all SJVIA participating entities announcing the program and encouraging participation. A copy of the initial notification sent out is attached to this item. Each entity is encouraged to delegate a "wellness champion" to assist other employees in the process. Each employee will report their daily walking results for the challenge on the website. Results will be tracked online and there are contests for highest percentage of participation by entity/department, most average steps per day by entity, and a virtual "Walk to the Top" China peak challenge. A special prize will be given to the first 5 people that make it to the top.

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 25, 2014

The 2014 walking challenge is being funded by wellness funds available through Anthem Blue Cross. There will be more wellness targeted events as the year goes on and staff will update your Board in future meetings.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager

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

IN THE MATTER OF Receive and File Report on the Upcoming Wellness Activity

RESOLUTION NO. _____
AGREEMENT NO. _____

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board received and filed the report on the upcoming wellness activity



May 5-9, 2014

As part of the SJVIA's Wellness Program, participants from across the valley will be encouraged to voluntarily take part in the SJVIA "Walking Works!" Challenge this May. Walking is a gentle, low-impact exercise that can ease you into a higher level of fitness and health and can be done by almost anyone! It's safe, simple and doesn't require practice. The health benefits include helping to lower low-density lipoprotein (LDL) cholesterol ("bad" cholesterol), raise high density lipoprotein (HDL) cholesterol (the "good" cholesterol), lower blood pressure, reduce the risk of and manage type 2 diabetes, manage weight, improve mood and stay fit.

To begin, each city will be asked to designate a Wellness Champion to be a liaison for the SJVIA during the challenge. Please encourage your employees to participate! Here's how to get started:

HOW CAN WE PARTICIPATE?

- Participation is voluntary but encouraged.
- Assign a "Wellness Champion" for your City to receive information and help employees
- Tracking Dates for the Challenge will be May 5-9 2014
- Raffle prizes will be awarded during the challenge to motivate participation
- Employees will track and report steps daily on a website (more information to come)
- Pedometers and goody bags will be provided to all employees participating
- Walking can take place at home, during breaks or lunch hour to count toward daily totals
- Competitions will be held between City and County entities. Your City will be paired against similar sized entities and reports will be provided to your wellness champion.
- Contests include:
 - Highest Percentage of participation by Department/County/City
 - Most Average steps per day by Department/County/City
 - "Walk to the Top" China Peak challenge: this will be a "virtual walk" up China Peak for anyone who would like to try it. A special prize will be given to the first 5 people to make it to the top!

"WALKING WORKS!" DEPARTMENT CHAMPION RESPONSIBILITIES:

- Distribute pedometers to employees who want to participate.
- Communicate any organized walks that may be taking place.
- Encourage voluntary participation and reporting of results.
- Remind employees of the importance of safety and hydration while walking in hot weather!
- Notify employee if she/he has won a prize!





BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

AGENDA DATE: April 25, 2014

ITEM NUMBER: 10

SUBJECT: Approve the Acceptance of Revised Anthem Blue Cross Marketing Guidelines

REQUEST(S): That the Board approve the Acceptance of Revised Anthem Blue Cross Marketing Guidelines

DESCRIPTION:

The SJVIA utilizes Anthem Blue Cross as the primary vendor for network access as well as claims administration. For the last 20 years, Anthem Blue Cross has required adherence to a product distribution guideline called ***“Blue on Blue”***.

Blue on Blue was adopted to promote stability in the market. It defined rules of engagement for competing entities that promote Anthem branded products. These Blue on Blue guidelines discouraged the following activities:

- Proposal from a Joint Powers Authority (JPA) or Trust to a competing JPA or Trust offering an Anthem product
- Direct quotation from Anthem to remove an entity from a JPA or Trust
- Offer by Anthem to replace business administered by a TPA with an Anthem administered or fully insured product. A TPA is also prohibited from quoting against in-force Anthem business.

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 25, 2014

There have been many changes in the marketplace since the introduction of Blue on Blue. In response to these changes, Anthem Blue Cross is updating the Blue on Blue product distribution guidelines.

Anthem Blue Cross framework for change

Anthem Blue Cross's goal is to provide an environment that promotes change and continues to allow for competition in a manner that doesn't disrupt the market and is fair to all participants. Anthem has established a framework for transition with three primary parts:

1. JPAs and Trusts that offer an Anthem competing health plan option (excluding Kaiser) are offered a choice to accept or decline the Anthem product distribution guidelines.
2. Those that accept the guidelines may offer proposals to employer groups that offer Anthem branded medical products through competing Trust or JPA programs, and those that are insured or administered directly through Anthem.
3. For those JPAs and Trusts that choose to decline the guidelines, the current Blue on Blue marketing distribution practice will remain in effect without change. The entity may not offer an Anthem product to an employer group that is actively participating in an Anthem health plan through any source.
 - a. Note: Those JPAs and Trusts that do accept the guidelines will not be prohibited from offering Anthem health plan coverage to an employer group that participates in a Trust or JPA plan that declines to accept the guidelines.

Acceptance of the Anthem Blue Cross amended guidelines

The following conditions apply to those JPAs and Trusts that agree to accept the amended Blue on Blue guidelines:

1. The price for an offering of Anthem administered or insured health plan coverage should reflect the pricing principals and actuarial soundness of the quoting entity.
2. The initial price of the coverage must conform to the following:
 - a. If the renewal is not known, the price offered (or fully insured equivalent) may not be less than the price for medical coverage that the employer group is paying within their current in-force program.
 - b. If the renewal is known, then the price offered may not be less than the proposed renewal rates.

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 25, 2014

An actuarial adjustment is allowed for plan design differences to align the pricing to the next nearest plan offered within the offering entity's portfolio of products, but the actuarial adjustment may be no greater than a discount of five percent. There is no limit on upward pricing adjustments.

Following acquisition, rating adjustments to the employer group may be made in accordance with the usual pricing practices of the Trust or JPA following a period of no less than 12 months.

Conclusion

In order to maintain a competitive position in the marketplace and gain access to existing Anthem Blue Cross members, the SJVIA should accept the amended guidelines.

Non-acceptance of the new guidelines would place the SJVIA at the following disadvantage – *“The entity may not offer an Anthem product to an employer group that is actively participating in an Anthem health plan through any source”*. Further, the SJVIA would be at a disadvantage to other marketing organizations that chose to accept the new guidelines.

FISCAL IMPACT/FINANCING:

None

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager

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

IN THE MATTER OF Approve the Acceptance of Revised Anthem Blue Cross Marketing Guidelines

RESOLUTION NO. _____
AGREEMENT NO. _____

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board approved the Acceptance of Revised Anthem Blue Cross Marketing Guidelines



Steven Scott
Vice-President and General Manager
Anthem Blue Cross Large Group

March 17, 2014

Dear Valued Partner,

We recently advised you of a change to our "Blue on Blue" product distribution guidelines. A copy of that announcement and related Frequently Asked Questions are attached. We are writing now to request that you advise us of whether you wish to accept and operate under the new guidelines, or whether you will decline and thus continue to operate under the current "Blue on Blue" restrictions. Please provide us with your response by **March 31, 2014**.

If the below decision conflicts with any existing language contained within your JPA, Trust or ASO agreement, this will serve as confirmation that we will waive any contract language that conflicts with the new pricing guidelines contained within the new guidelines so long as you continue to comply with the new pricing guidelines.

Please indicate your decision by marking only one box below and confirming with your signature and date.

- YES, our organization is choosing to accept the new Blue on Blue product distribution guidelines and agrees to adhere to these guidelines.
- No, our organization is not agreeing to the new Blue on Blue product distribution guidelines and we understand that we will not have the ability to request quotes for any inforce Anthem account.

Signature: _____

Printed Name: _____

Organization: _____

Date: _____

This form can be returned via e-mail to your Anthem Blue Cross Account Management Executive. Feel free to also reach out to your assigned representative should you have any questions on the above.

Sincerely,

Steve Scott
Vice-President and General Manager
Anthem Blue Cross Large Group

Anthem Amends Large Group “Blue on Blue” Product Distribution Guidelines

We want to let you know that Anthem is updating its large group Blue on Blue guidelines. With the introduction of the Affordable Care Act, we need to ensure that our products continue to be offered in a way that is fair and positive for everyone.

Why is Anthem changing the Blue on Blue guidelines?

For the last 20 years, Anthem Blue Cross has required adherence to our product distribution guidelines called “Blue on Blue”.

Blue on Blue was adopted to promote stability in the market. It defined rules of engagement for competing entities that promote Anthem branded products. These Blue on Blue guidelines discouraged the following activities:

- Proposal from a Joint Powers Authority (JPA) or Trust to a competing JPA or Trust offering an Anthem product
- Direct quotation from Anthem to remove an entity from a JPA or Trust
- Offer by Anthem to replace business administered by a TPA with an Anthem administered or fully insured product. A TPA is also prohibited from quoting against in-force Anthem business.

The market has evolved since the introduction of Blue on Blue. The Affordable Care Act contains a Guaranteed Availability of Coverage provision that requires health plans to provide an offer of insurance, upon request, for any product it is approved to sell in the state (this guaranteed availability provision does not apply to ASO products).

In addition, the individual consumer now has the option of accessing health care insurance through a marketplace exchange. Many employers are considering the adoption of a private exchange platform to expand choice among their employee health plan portfolio.

Others also consider a private exchange to be an effective vehicle to transition to a defined contribution model of funding health care benefits.

In response to the current market dynamics we are updating the Blue on Blue product distribution guidelines.

Our objectives – fair, collaborative and flexible

The Anthem brand is presented to the California market through a number of distribution channels. Products and services are made available through direct contracts with Anthem, or from a number of formal purchasing collaborative plans in the form of a Health and Welfare Trust plan or a Joint Powers Authority. Our brand also is represented through a number of authorized Third Party Administrators.



We value the unique attributes that each offering entity presents to the market. We are revising our guidelines to enable each entity to promote its value proposition in a manner that also allows it to maintain its collaborative relationship with Anthem. There are many ways that purchasing pools and distribution partners define their value proposition. Some of the attributes that uniquely define our distribution partners are based on decisions and structure in the following areas, including:

- Product Portfolio
- Customer Service
- Financial Model
- Governance
- Field Service
- Affinity Programs

Our Blue on Blue guidelines change will offer more flexibility to our customers that desire to maintain the Anthem product branding, while also maintaining the freedom to choose from a “market place” of program options.

Our framework for change

Our goal is to provide an environment that promotes change and continues to allow for competition in a manner that doesn't disrupt the market and is fair to all participants. That's why we have established a framework for transition with three primary parts:

1. JPAs and Trusts that offer an Anthem competing health plan option (excluding Kaiser) are offered a choice to accept or decline the Anthem product distribution guidelines.
2. Those that accept the guidelines may offer proposals to employer groups that offer Anthem branded medical products through competing Trust or JPA programs, and those that are insured or administered directly through Anthem.
3. For those JPAs and Trusts that choose to decline the guidelines, the current Blue on Blue marketing distribution practice will remain in effect without change. The entity may not offer an Anthem product to an employer group that is actively participating in an Anthem health plan through any source.
 - a. Note: Those JPAs and Trusts that do accept the guidelines will not be prohibited from offering Anthem health plan coverage to an employer group that participates in a Trust or JPA plan that declines to accept the guidelines.



How do the guidelines affect pricing?

The following conditions apply to those JPAs and Trusts that agree to accept the amended Blue on Blue guidelines:

1. The price for an offering of Anthem administered or insured health plan coverage should reflect the pricing principals and actuarial soundness of the quoting entity.
2. The initial price of the coverage must conform to the following:
 - a. If the renewal is not known, the price offered (or fully insured equivalent) may not be less than the price for medical coverage that the employer group is paying within their current in-force program.
 - b. If the renewal is known, then the price offered may not be less than the proposed renewal rates.

An actuarial adjustment is allowed for plan design differences to align the pricing to the next nearest plan offered within the offering entity's portfolio of products, but the actuarial adjustment may be no greater than a discount of five percent. There is no limit on upward pricing adjustments.

Following acquisition, rating adjustments to the employer group may be made in accordance with the usual pricing practices of the Trust or JPA following a period of no less than 12 months.

When do these changes take effect?

These revisions are effective for quotes issued immediately following written acceptance of agreement to comply with the amended guidelines, for health plan offerings that are effective July 1, 2014 and beyond.

How does this apply to TPAs?

The majority of contracts in effect with Third Party Administrators that offer Anthem networks and medical management services contain non-compete language that defines limitations on issuing proposals to in-force Anthem customers. With the exception of actions we must take to maintain compliance with the Affordable Care Act, the non-compete language will remain in effect unless modified by mutual agreement.



Anthem Amends “Blue on Blue” Product Distribution Frequently Asked Questions - External

1. Who is affected by this change?

All distribution channel partners not currently operating under a non-compete arrangement are impacted. That includes entities such as Joint Power Authorities (JPAs), Trusts, and Third Party Administrators (TPAs). Each of these entities will be given a choice to accept the new guidelines to allow them to participate in an open Anthem marketplace.

2. Why are we making this change now?

Our Blue on Blue business practice has been in place for over 20 years. The market has evolved since the introduction of Blue on Blue. The Affordable Care Act contains a Guaranteed Availability of Coverage provision that requires health plans to provide an offer of insurance, upon request, for any product it is approved to sell in the state (this guaranteed availability provision does not apply to ASO products). As such, we are modifying our business practice to comply with these requirements and provide our existing customers the option to choose from a marketplace of available options by our distribution channel partners.

3. How do the new guidelines affect you?

In an effort to provide an environment that facilitates change in a manner that is non-disruptive and equitable to all participants, entities (i.e. JPAs, Trusts and Third Party Administrators) that offer an Anthem competing health plan option (excluding Kaiser) are offered a choice to accept or decline the Anthem guidelines reflected below:

For entities that choose to accept:

- Those entities may offer proposals to employer groups that offer Anthem branded medical products through competing Trust or JPA programs, and those that are insured or administered directly through Anthem.

For entities that choose to decline:

- The current Blue on Blue business practice will remain in effect without change. Please note, other entities that accept the guidelines will be allowed to offer Anthem health plan coverage to an employer group that participates in a Trust or JPA plan that declines to accept the new guidelines.

-

4. Do the guidelines affect pricing?

Yes. The price for an offering of health plan coverage should reflect the pricing principals and actuarial soundness of the quoting entity. As such, the following pricing guidelines will apply to those entities that have accepted the new Blue on Blue guidelines:

- If a renewal has not been issued - the price offered (or fully insured equivalent) may not be less than the price for medical coverage that the employer group is paying with their current in-force program
- If renewal has been issued - the price offered may not be less than the proposed renewal rates.

An actuarial adjustment for plan design differences to align the pricing to the next nearest plan offered, within the offering entity's portfolio of products, is allowed. The actuarial adjustment may be no greater than a discount of 5%. There is no limit on upward pricing adjustments.

Following acquisition, rating adjustments to the employer group may be made in accordance with the usual pricing practices of the Trust or JPA following a period of no less than 12 months.

5. *When does this change become effective?*

These revisions are effective for quotes issued immediately following written acceptance of agreement to comply with the amended guidelines, for health plan offerings that are effective no sooner than July 1, 2014.

6. *How will you be notified?*

An amended guideline has been sent to impacted parties on February 21, 2014. Anthem Sales and Account management will contact impacted parties for follow up.

7. *How does this impact non-compete language?*

Contracts that contain non-compete language that defines limitations on issuing proposals to in-force Anthem customers will not be affected by this change, with the exception of actions we must take to maintain compliance with the Affordable Care Act.

8. *Will entities that offer a competing non-Anthem plan be given a deadline for making an election?*

Yes, we are asking Trust and JPA programs that offer a competing non-Anthem plan, excluding Kaiser, to declare their decision to accept or reject the pricing guidelines, by March 31, 2014.

9. *Will Anthem still allow a Trust to offer additional downgraded (or upgraded) plans even if the pricing is outside the 5% (Example, a Trust has a menu of several HMO, PPO and CDHP plans, will Anthem's guidelines prohibit them from offering them all, or, as long as the most similar plan is within the 5% guideline they are free to adjust their other plans and offer them all?)?*

A Trust may offer their full portfolio of products; however, the plan design that most closely resembles the in-force plan design cannot be offered lower than 5% of the in force rate. All other plan offerings must reflect the same decrements that apply to their published pool rates.

10. *Is Broker Commission and/or trend load or reduction for short or long plan years outside of the allowed 5% benefit adjustment?*

Anthem has Trusts/JPA's that will allow a group to join at any time, but quote short or long plan years to sync them up with the Case renewal moving forward. Historically, Anthem's quotes on many of these are for anywhere from a 9 month to 15 month plan year, thus, the rating can be significantly skewed. If a plan is offering a short term rate, the in force rate floor (subject to 5% benefit adjustment) will still apply. Broker commissions may be excluded from the rates without affecting the 5%.

11. Do the guidelines as outlined applicable to all transfer scenarios:

- **Trust/JPA going to a different Trust/ JPA**
- **Anthem Direct going to Trust/JPA**
- **Trust/JPA going to Anthem Direct**

Yes, the guidelines are intended to apply to all three scenarios.

12. Is Anthem creating any guidelines relative to the number of times a group can transfer between distribution channels or will it be Anthem's underwriting standard of "X" amount of moves in "X" years?

Each Trust/JPA may have established rules for entering and/or leaving a trust. Those decisions and guidelines remain between the client and the Trust/JPA.

13. Will there be any "Policing" requirements that Anthem will have to put in place to validate the pricing security caveat that everyone must follow for the first 12 months (specifically self-funded or MPP Trusts/JPAs where Anthem doesn't collect information on the rates that are being charged to any one District or Group)?

We are giving Trust/JPAs an option and expect that those who accept Anthem's rating guidelines will act with integrity in the market. In the event a claim that pricing guidelines were not honored, Anthem will take appropriate action.

14. Does Anthem anticipate including verbiage surrounding a Trusts decision to adhere or not to adhere to the guideline change within their ASO agreement that is updated each year?

Anthem will be seeking a written declaration of an entity's decision which will be considered evergreen.

15. How does this change Anthem's proposal process?

As a result of this change, Anthem will now require disclosure of the current incumbent carrier as well as current rates (or renewal rates if released).

16. Do these guideline changes apply to PEO arrangements?

Yes, assuming the PEO contracts contain the appropriate contract language. PEO contracts that contain non-compete language that defines limitations on issuing proposals to in-force Anthem customers will not be affected by this change, with the exception of actions we must take to maintain compliance with the Affordable Care Act.

17. What is the process when Anthem receives a proposal request from a TPA partner AND a direct request?

In the case that a TPA contract contains non-compete language that defines two-way limitations on issuing proposals to in-force Anthem customers, Anthem will not be able to directly compete, with the exception of actions we must take to maintain compliance with the Affordable Care Act.

18. Would Anthem require a Letter of Authorization from a group?

Our procedures related to broker authorizations remain unchanged.

19. Would Anthem respond to a proposal request from a TPA when the group is currently insured on a direct basis?

Should the TPA have a non-compete clause, they would be limited in pursuing Anthem's in force customers. Otherwise, the market is open.

20. Is an ASO Anthem case the same as an insured case in Anthem's view of its obligation to provide a proposal? In other words, a self-insured JPA with an Anthem ASO plan vs. insured Anthem outside the JPA?

Our obligation under the Affordable Care Act is to provide a fully insured proposal only. However, under these new guidelines, we are creating an open marketplace where customers can purchase Anthem products using different funding and distribution channels.

21. Can the self-insured Anthem ASO JPA plan quote against an Anthem insured plan? How about the reverse?

Yes.

22. Does Anthem believe that the ACA obligation to quote apply to self-insured plans who are accessing the Anthem network and paying Anthem for ASO services? Further, does the election the JPA's make in regard to your proposed new rules make any difference?

Our obligation under the Affordable Care Act is to provide a fully insured proposal only. However, under these new guidelines, we are creating an open marketplace where customers can purchase Anthem products using different funding and distribution channels.

23. Does this guideline apply to specialty?

No. The Blue on Blue business practice only applies to medical.



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

Meeting Location:
**Fresno County Employees' Retirement
Association Board Chambers**
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM

AGENDA DATE: April 25, 2014

ITEM NUMBER: 11

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

REQUEST(S): That the Board of Directors approve the release of proposals for the Cities of Hughson and Coalinga, and the Fresno Metropolitan Flood Control District. and authorize the Board President to execute related participation agreements

DESCRIPTION:

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

The Underwriting Committee is in the process of reviewing these proposals and upon approval seeks authority to release illustrative proposals to the Cities of Hughson (13), and Coalinga (103), and the Fresno Metropolitan Flood Control District (80).

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

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 25, 2014

FISCAL IMPACT/FINANCING:

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

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
Assistant SJVIA Manager

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

IN THE MATTER OF Authorization of the Release of Proposals and Execution of Participation Agreements.

RESOLUTION NO. _____
AGREEMENT NO. _____

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board of Directors approved releasing proposals for the Cities of Hughson and Coalinga, and the Fresno Metropolitan Flood Control District, and authorized the Board President to execute related participation agreements.



SJVIA

San Joaquin Valley
Insurance Authority

New Member Activity

CURRENT NON-FOUNDING MEMBER GROUPS:

	City:	Status to Date:	Effective	EE's
1	Ceres	SJVIA Member	Jan-13	115
2	Sanger	SJVIA Member	Jul-13	105
3	Shafter	SJVIA Member	Jul-13	111
4	Tulare	SJVIA Member	Jul-12	334
5	Waterford	SJVIA Member	Jun-13	12
6	San Joaquin	SJVIA Member	Jul-13	15
7	Gustine	SJVIA Member	Oct-13	17
8	Reedley	SJVIA Member	Jan-14	93
9	Riverbank	SJVIA Member	Feb-14	37
10	Newman	SJVIA Member	Mar-14	24
11	Wasco	SJVIA Member	Apr-14	59
12	Farmersville	SJVIA Member	May-14	63
			TOTAL	985

ACTIVE IN PROPOSAL PROCESS:

	City:	Status to Date:	Effective	EE's
1	City of Coalinga	In process	July	98
2	City of Hughson	In process	July	15
3	Fresno Metropolitan Flood District	In process	July	60
4	City of Firebaugh	In process	January	37



BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

AGENDA DATE: April 25, 2014

ITEM NUMBER: 12

SUBJECT: Approve the Revisions to the Participation Agreement for Non-founding Entities

REQUEST(S): That the Board approve the recommended revisions to the Participation Agreement for non-founding entities

DESCRIPTION:

Each entity that participates in the SJVIA's program offerings currently executes a Participation Agreement with the SJVIA. Participating Entities may participate in a variety of SJVIA programs including medical HMO and PPO options through Anthem Blue Cross, Blue Shield, and Kaiser; dental options through Delta Dental of California; and vision options through Vision Service Plan (VSP). The current Participation Agreement that is signed by non-founding entities is for a minimum term of 3 years, which is their required commitment to the SJVIA. This agreement includes exhibits that cover the programs the entity has chosen and the benefits and rates that apply to those programs.

Each year at renewal, all SJVIA plans are reviewed and underwritten to cover anticipated costs for the upcoming plan year. Also at renewal, all participating entities have the opportunity to elect or opt out of ancillary programs which, along with rate changes, create the need to amend the exhibits that accompany their respective participation agreements. As part of the January 1, 2014 renewal process and with the addition of multiple new entities, it became apparent that the current participation agreement and process needs to be revised to account for changes in rates and programs for each entity.

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 25, 2014

Staff is recommending that the Participation Agreement template for all new groups coming into the SJVIA be revised to allow for changes in rates and/or benefit plans and programs outlined in the Exhibits A and B. Several other changes have been made to the document template to clarify terms and provisions, one of which is clearly outlining the process of late payment notices. The recommended agreement with changes noted is attached for your review and comparison.

For entities currently participating in programs under the SJVIA with standing participation agreements, staff will request an amendment to the agreement allowing for the updating of these exhibits on an annual basis.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager

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

IN THE MATTER OF Approve the Revisions to the Participation Agreement for
Non-founding Entities

RESOLUTION NO. _____
AGREEMENT NO. _____

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board approved the recommended revisions to the Participation
Agreement for non-founding entities