

AGENDA

Final-Revised

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
July 14, 2016 9:00 AM**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Approval of Agenda (A)
5. Public Comment: At this time, members of the public may comment on any item, within the jurisdiction of the SJVIA, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less. Anyone wishing to be placed on the agenda for a specific topic should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the desired date of appearance.
6. Approval of Minutes – Board Meeting of April 29, 2016 (A)
7. SJVIA Director Matters (I)
8. Appoint SJVIA Manager and Assistant Manager for Fiscal Years 2016/17 and 2017/18 (A)
9. Reschedule of SJVIA Board Meeting currently scheduled for August 12, 2016 (A)
10. Presentation from Aetna by David Broom, Aetna, Sales Vice President, California and Utah, Public Sector & Labor and Linda Machado, Senior Director of Service Operations, Fresno Service Center regarding Administrative and Health Plan Services (I)

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

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11. **DELETED** Receive and File Quarterly Financial Report (A)
12. Receive Update on Cash Flow Projections (I)
13. Receive and File Executive Claims Summary through May 2016 (I)
14. Receive Staff and Gallagher Recommendations Responding to SJVIA Cash Flow and Provide Direction for Action to be Taken (A)
15. Receive Gallagher Report on Preliminary 2017 Health Plan Renewal (A)
16. Review County of Fresno/County of Tulare Loan Payment Impact on 2017 Renewal Rates and Provide Direction for Possible Negotiation of Payment Extension (A)
17. Receive and Provide Direction on SJVIA Staffing (A)
18. 2016 Walking Works Awards Presentation (I)
19. Receive SEIU Local 521 Presentation Regarding SJVIA Cash Flow
20. Adjournment

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MINUTES

BOARD OF DIRECTORS

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J. STEVEN WORTHLEY

**Meeting Location:
Tulare County Employees'
Retirement
Association Board Chambers
136 N Akers St
Visalia, CA 93291
April 29, 2016 10:00 AM**

1. Call to Order

Meeting called to order by President Vander Poel at 10:00AM.

2. Pledge of Allegiance

3. Roll Call

All Directors present with the exception of Director Mendes

4. Approval of Agenda (A)

Motion to approve by Director Poochigian, Second by Director Borgeas.
Motion approved

5. Public Comment: At this time, members of the public may comment on any item, within the jurisdiction of the SJVIA, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less. Anyone wishing to 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.

- a. Kathleen Wilmes, Darlene Quall, Teneya Johnson made comments regarding the SJVIA cash flow, the impact on employees and partnering with employees to resolve to issues.

6. Approval of Minutes – Board Meeting of March 18, 2016 (A)

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

7. SJVIA Director Matters (I)

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April 29, 2016 10:00 AM**

Statement by Director Ennis: "Stay Healthy"

8. Receive Update on Cash Flow Projections, Mitigation Efforts and Entity Premium Remittance Timeframes (I)

Item presented by Lawrence Seymour, County of Fresno

9. Receive and File Third Quarter 2015-2016 Financial Report (A)

Item presented by Lawrence Seymour, County of Fresno

Motion to receive and file made by Director Ennis, Seconded by Director Pacheco. Motion approved.

- 9A. Receive and File 2012-2013 Audited Financial Statements (A)

Presented by Price Paige & Co

Motion to receive and file made by Director Worthley, Seconded by Director Pacheco. Motion approved.

10. Receive and File SJVIA Executive Claims Summary through March 2016 (I)

Presented by John McCue, Alan Thaxter and Bruce Caldwell, Gallagher Benefit Services.

11. Receive Staff Recommendations Responding to SJVIA Cash Flow (A)

Presented by Rhonda Sjostrom, SJVIA President

SJVIA Board requested to see breakdown of when each entity has been remitting premium payments at the next board meeting.

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SJVIA Board directed Staff that when both Counties have approved the loan, the line of credit should be exhausted evenly between both counties.

SJVIA Board requested that all entities who have met their initial three year commitment be looked at for their individual experience per the current approved underwriting guidelines.

PUBLIC COMMENT:

a. Ryan Wilson, Regina Cox and O.C. Segura made public comment.

SJVIA Board will delay action on this item. Directed Staff and Gallagher to work together and bring items 1 and 7 from this item and any others before them for consideration at the next Board Meeting.

12. Receive and File Gallagher Recommendation and Response to Outside Actuarial Review (I)

Presented by Bruce Caldwell, Gallagher Benefit Services.

PUBLIC COMMENT

a. OC Segura made a public comment.

13. Receive Report on Administrative Services Costs and Staffing (I)

Presented by Rhonda Sjostrom, SJVIA President.

SJVIA Board directed Staff to bring information and recommendation for hiring SJVIA staff to the next Board Meeting.

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April 29, 2016 10:00 AM**

14. Receive Update on Wellness Activities (I)

Presented by Rhonda Sjostrom, SJVIA President.

15. Adjournment

Meeting adjourned at 12:29PM.

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**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
July 14, 2016 9:00 AM**

AGENDA DATE: July 14, 2016

ITEM NUMBER: Item 8

SUBJECT: Appoint SJVIA Manager and Assistant Manager for Fiscal Years 2016/17 and 2017/18

REQUEST(S): That the Board receive an update on the administration of the SJVIA.

DESCRIPTION:

The SJVIA was founded upon the principles of securing or offering insurance at more favorable rates *“and administering such programs with greater efficiency”* than each founding entity could otherwise obtain on their own. To that end, the SJVIA has maintained favorable administrative costs as a percentage of total premium. On average, all SJVIA plans have maintained administrative costs in the range of 10% of total premium.

Since the creation of the SJVIA in 2009 by the County of Fresno and Tulare, the oversight and administration of the entity has been handled jointly by staff at both Counties. Pursuant to Article 10 of the [“Amended & Restated Joint Exercise of Powers Agreement Creating the San Joaquin Valley Insurance Authority”](#), the SJVIA Manager and Assistant Manager shall administer the business and activities of the SJVIA. The agreement stipulates that the Manager and Assistant Manager shall be either the Director of Human Resources or Employee Benefits Manager from the County of Fresno (COF) or the Human Resources Director from the County of Tulare (COT). The Manager and Assistant Manager have typically been appointed to serve 2 years before alternating roles as approved by your Board. Following this schedule and pending your Board’s approval, Paul Nerland (COF) will serve as SJVIA Manager and Rhonda Sjostrom (COT) will serve as SJVIA Assistant Manager. Although the role of Manager and Assistant Manager alternate, the majority of administrative functions are maintained at either the

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 14, 2016

County of Fresno or Tulare regardless of the change in Manager/Assistant Manager. In practice, the Manager and Assistant Manager continue to share the workload and maintain administrative oversight of certain functions at one location (rather than alternating back and forth) contributing to stability and continuity of operations.

In addition to the Manager & Assistant Manager, your Board appointed Vicki Crow from the County of Fresno as the SJVIA's Auditor-Treasurer. The Auditor-Treasurer has the custody of and disperses all SJVIA funds, oversees funds and accounts, and contracts with a CPA to conduct an annual audit of all accounts. Additionally, County Counsel attorneys from each County also provide services to the SJVIA.

Item 17 on today's agenda will provide discussion on consideration of using full-time, dedicated SJVIA staff.

FISCAL IMPACT/FINANCING:

The SJVIA currently receives \$2.00 per employee per month for administration and an additional \$2.00 per employee per month for non-founding entities. The revised FY 15-16 budget administration line item is approximately \$398,100. The SJVIA Quarterly Financial Report through March 31, 2016 indicates \$250,032 in costs for the administration line item.

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

WHEREAS, the “Amended & Restated Joint Exercise of Powers Agreement Creating the San Joaquin Valley Insurance Authority (SJVIA),” dated January 1, 2016, provides, in Article 10, that the SJVIA shall have a Manager and an Assistant Manager, each of whom shall be selected by the Board of Directors for the SJVIA, and shall be either the Human Resources Director of the County of Tulare or the Director of Personnel Services or the Employee Benefits Manager for the County of Fresno; and

WHEREAS, the practice of the SJVIA has been to alternate the Manager and Assistant Manager positions between the County of Tulare and the County of Fresno, with the change occurring at the beginning of every second fiscal year; and

WHEREAS, for the past two fiscal years (2014–2015 and 2015–2016), the Manager has been the Human Resources Director for the County of Tulare and the Assistant Manager has been the Director of Personnel Services or the Employee Benefits Manager for the County of Fresno; and

WHEREAS, the County of Fresno recently re-titled the position of Director of Personnel Services to be Director of Human Resources;

NOW, THEREFORE, THE BOARD OF DIRECTORS FOR THE SJVIA HEREBY RESOLVES:

1. All of the recitals above are true and correct.
2. Beginning on the date of this resolution, which is July 14, 2016, and through the fiscal years 2016–2017 and 2017–2018, or until a new Manager is appointed, the Director of Human Resources for the County of Fresno shall serve as the Manager for the SJVIA.
3. Beginning on the date of this resolution, which is July 14, 2016, and through the fiscal years 2016–2017 and 2017–2018, or until a new Assistant Manager is appointed, the Human Resources Director for the County of Tulare shall serve as the Assistant Manager for the SJVIA.
4. This resolution is effective when adopted.

This resolution is adopted and signed on July 14, 2016.

Peter Vander Poel
President, Board of Directors
San Joaquin Valley Insurance Authority



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**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
July 14, 2016 9:00 AM**

AGENDA DATE: July 14, 2016

ITEM NUMBER: Item 9

SUBJECT: Reschedule of SJVIA Board Meeting currently scheduled for August 12, 2016 (A)

REQUEST(S): That the Board direct and approve an alternative date for the August 12, 2016 SJVIA Board Meeting

DESCRIPTION:

It has come to staff's attention that the August 12th Board Meeting will present a scheduling conflict for several Directors who serve on other boards and commissions. The conflicts may prevent the SJVIA Board from achieving a quorum. The August Board meeting is also a very important Board meeting with the adoption of the 2017 rates.

Staff will come to the Board meeting prepared with viable alternatives for your Board's consideration and direction.

FISCAL IMPACT/FINANCING:

None.

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 14, 2016

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager



We're an established, large Fresno employer

FRESNO SERVICE CENTER FACTS

We employ 900 and support over 1,000 dependents

Added over \$200 million to the local economy in the past in 5 years

In the community for 38 years, established in 1978

Our staff supports 25+ local initiatives and charities

Local employees means local knowledge

David Broome
Sales Vice President
(415) 306-6850

BroomeD@aetna.com

Linda Machado
Sr. Director, Service Operations
(559) 241-5034

MachadoL@aetna.com



Aetna takes care of working families

In 2015, we raised our minimum wage to \$16 per hour and cut health care costs at the same time.

160

years taking care of working families

OVER 800

employees dedicated to Public Sector and Labor

OVER 3.1M

Public Sector and Labor members

- During the Great Depression Aetna didn't lay anyone off. We wrote checks out of our basement vault on a daily basis to compensate workers. We still have that bank in our building today.
- 46 years ahead of the Equal Rights Amendment, we hired the first female Executive Officer, Dr. Marion Bills.
- We are committed to hiring veterans seeking careers - **U.S. Veterans Magazine has recently awarded Aetna as Best of the Best 2016.**





aetna

Count on us to
continue to bring
ideas to improve
your program

AETNA / SJVIA / 07.14.16



Networks

- Access to Providers
- Competitive Contracts

Caring for Members

- Care Coordination
- Decision Tools
- Protected Health Information

Guarantees

- Member Satisfaction
- Financial Performance
- Program Efficacy



Local Commitment

- Local Public Entity Team
- Local Claim Service
- Local Member Service
- No Offshoring



SJVIA

San Joaquin Valley
Insurance Authority

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July 14, 2016
9:00 AM

AGENDA DATE: July 14, 2016

ITEM NUMBER: 12

SUBJECT: Cash flow projection

REQUEST(S): That the Board receives this cash flow projection

DESCRIPTION: Informational item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:

A handwritten signature in cursive script, appearing to read "Vicki Crow for", written over a horizontal line.

Vicki Crow
SJVIA Auditor-Treasurer

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

Cash Flow Projections and Update

July 14, 2016

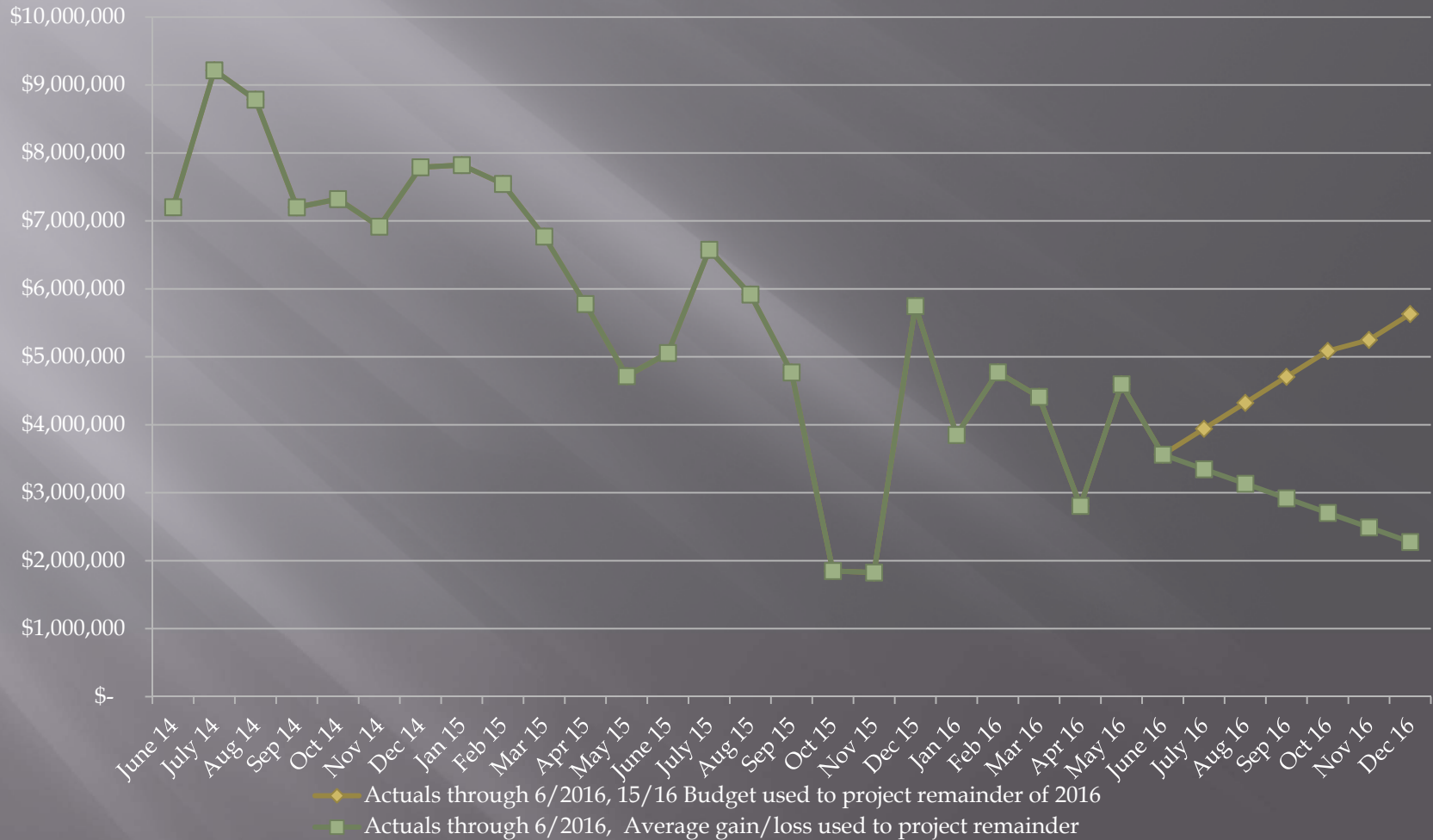
presented by

Alan Cade

Data and Assumptions

- ▣ July 1, 2014 = \$7,201,555
- ▣ Used actual cash receipts and disbursements for the period July 1, 2014 through June 30, 2016
- ▣ The period from July 1, 2016 through December 2016 projected using amended 2015-16 Budget
 - Dental rate premium holiday only applicable to Jan and Feb 2016.
- ▣ Assumed no change in number of enrollees or PEPM rate

Cash Flow Projections



Mitigation Efforts

- ▣ Daily monitoring of cash balances
 - Cash Flow projections updated monthly
- ▣ Loan of \$1.5 million received December 2015 with another \$.5 million received June 2016.
- ▣ Defunded contract with wellness vendor
- ▣ COF efforts to pay sooner
- ▣ Closing positions in COF investment pool & fixed cost bank account to consolidate cash
- ▣ Close monitoring of receipts and payments



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Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
July 14, 2016 9:00 AM**

AGENDA DATE: July 14, 2016

ITEM NUMBER: Item 13

SUBJECT: Receive and File SJVIA Executive Claims Summary through May 31, 2016 (I)

REQUEST(S): That the Board Receive and File SJVIA Executive Claims Summary through May 31, 2016

DESCRIPTION:

Informational item, please see attached report.

FISCAL IMPACT/FINANCING:

ADMINISTRATIVE SIGN-OFF:

A handwritten signature in cursive script that reads "Rhonda Sjostrom".

Rhonda Sjostrom
SJVIA Manager

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

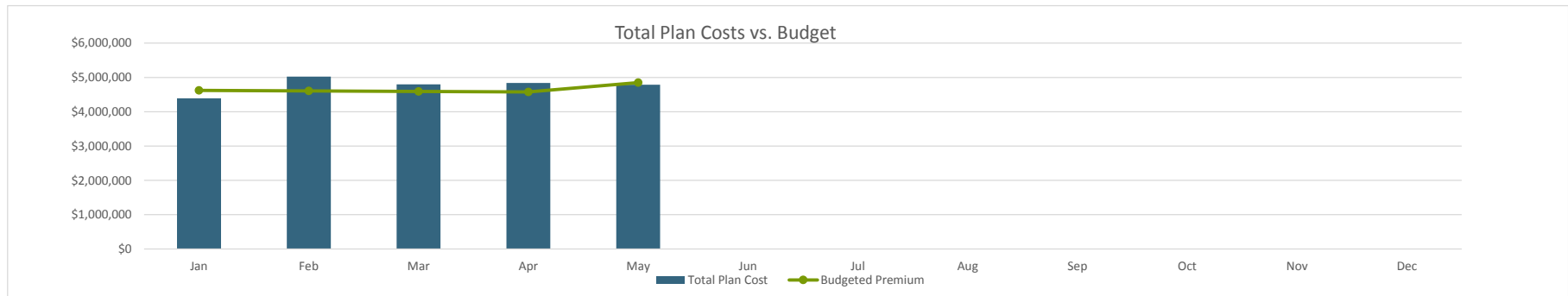
Paul Nerland
SJVIA Assistant Manager

SJVA

HMO Cost Summary

Plan Year January 1, 2016 through December 31, 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Average / Total
Enrollment													
Employee Only													
Employee + Spouse													
Employee + Child(ren)													
Employee + Family													
Total Employees	4,607	4,594	4,579	4,566	4,843								4,607
Paid Claims													
Medical	\$1,569,204	\$2,175,671	\$1,839,129	\$1,998,426	\$2,382,048								\$9,964,478
Prescription Drug	\$1,038,360	\$1,073,967	\$1,185,061	\$1,074,355	\$1,066,691								\$5,438,434
Capitation	\$1,379,797	\$1,375,903	\$1,371,411	\$1,367,367	\$1,450,479								\$6,944,957
Total Gross Paid Claims	\$3,987,361	\$4,625,541	\$4,395,601	\$4,440,148	\$4,899,218								\$22,347,869
Total Pooled Claims / Rx Rebates	\$0	\$0	\$0	\$0	\$535,924								\$535,924
Total Net Paid Claims	\$3,987,361	\$4,625,541	\$4,395,601	\$4,440,148	\$4,363,294								\$21,811,945
Average Med Claims Per EE	\$340.61	\$473.59	\$401.64	\$437.68	\$491.85								
Average Drug Claims Per EE	\$225.39	\$233.78	\$258.80	\$235.29	\$220.25								
Total Fixed Costs	\$401,320	\$400,211	\$398,917	\$397,764	\$421,560								\$2,019,772
Total Costs (Claims + Fixed)	\$4,388,681	\$5,025,752	\$4,794,518	\$4,837,912	\$4,784,854								\$23,831,717
Total Premium	\$4,622,926	\$4,607,931	\$4,592,129	\$4,576,063	\$4,847,791								\$23,246,840
Total Costs vs. Premium													
\$ Variance	\$234,245	(\$417,821)	(\$202,389)	(\$261,849)	\$62,937								(\$584,877)
% Variance	94.9%	109.1%	104.4%	105.7%	98.7%								102.5%



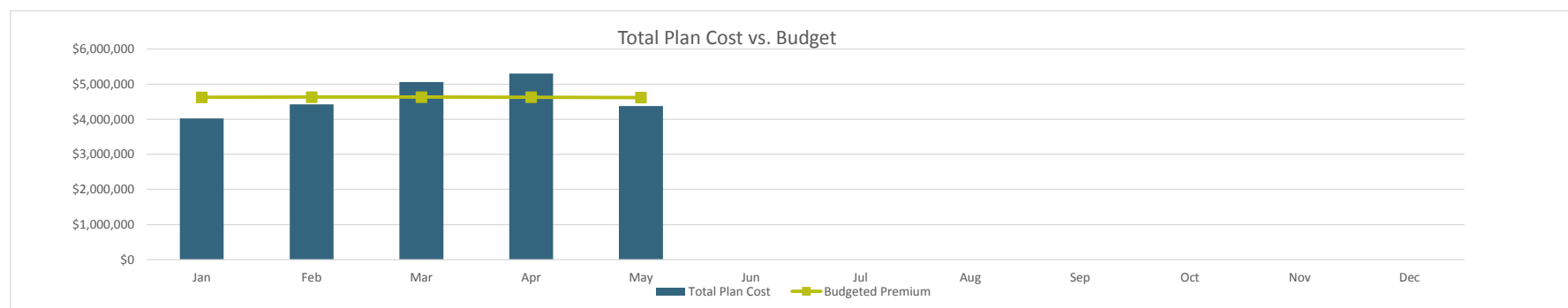
This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases,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

SJVIA

PPO Cost Summary

Plan Year January 1, 2016 through December 31, 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Average / Total
Enrollment													
Employee Only													
Employee + Spouse													
Employee + Child(ren)													
Employee + Family													
Total Employees	5,696	5,705	5,705	5,718	5,700								5,696
Paid Claims													
Medical	\$2,606,907	\$2,851,975	\$3,431,263	\$3,779,955	\$3,144,952								\$15,815,052
Prescription Drug	\$1,011,920	\$1,171,282	\$1,226,357	\$1,122,325	\$1,268,516								\$5,800,400
Total Gross Paid Claims	\$3,618,827	\$4,023,257	\$4,657,620	\$4,902,280	\$4,413,468								\$21,615,452
Total Pooled Claims / Rx Rebates	\$0	\$0	\$0	\$0	\$438,483								\$438,483
Total Net Paid Claims	\$3,618,827	\$4,023,257	\$4,657,620	\$4,902,280	\$3,974,985								\$21,176,969
Average Med Claims Per EE	\$457.67	\$499.91	\$601.45	\$661.06	\$551.75								
Average Drug Claims Per EE	\$177.65	\$205.31	\$214.96	\$196.28	\$222.55								
Total Fixed Costs	\$401,338	\$401,763	\$401,931	\$402,789	\$401,807								\$2,009,628
Total Costs (Claims + Fixed)	\$4,020,165	\$4,425,020	\$5,059,551	\$5,305,069	\$4,376,792								\$23,186,597
Total Premium	\$4,625,305	\$4,630,550	\$4,631,202	\$4,628,405	\$4,616,854								\$23,132,316
Total Costs vs. Premium													
\$ Variance	\$605,140	\$205,530	(\$428,349)	(\$676,664)	\$240,062								(\$54,281)
% Variance	86.9%	95.6%	109.2%	114.6%	94.8%								100.2%



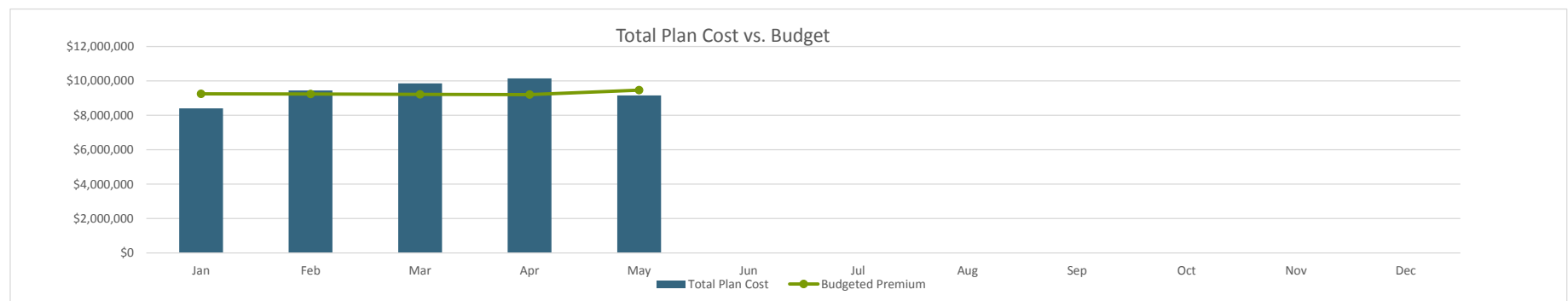
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SJVIA

Total Cost Summary

Plan Year January 1, 2016 through December 31, 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Average / Total
Enrollment													
Employee Only													
Employee + Spouse													
Employee + Child(ren)													
Employee + Family													
Total Employees	10,303	10,299	10,284	10,284	10,543								10,303
Paid Claims													
Medical	\$4,176,111	\$5,027,646	\$5,270,392	\$5,778,381	\$5,527,000								\$25,779,530
Prescription Drug	\$2,050,280	\$2,245,249	\$2,411,418	\$2,196,680	\$2,335,207								\$11,238,834
Capitation	\$1,379,797	\$1,375,903	\$1,371,411	\$1,367,367	\$1,450,479								\$6,944,957
Total Gross Paid Claims	\$7,606,188	\$8,648,798	\$9,053,221	\$9,342,428	\$9,312,686								\$43,963,321
Total Pooled Claims	\$0	\$0	\$0	\$0	\$0								\$974,407
Total Net Paid Claims	\$7,606,188	\$8,648,798	\$9,053,221	\$9,342,428	\$8,338,279								\$42,988,914
Average Cost Per Employee	\$738.25	\$839.77	\$880.32	\$908.44	\$790.88								\$831.30
Total Fixed Costs	\$802,658	\$801,974	\$800,848	\$800,553	\$823,367								\$4,029,400
Total Costs (Claims + Fixed)	\$8,408,846	\$9,450,772	\$9,854,069	\$10,142,981	\$9,161,646								\$47,018,314
Total Premium	\$9,248,231	\$9,238,481	\$9,223,331	\$9,204,468	\$9,464,645								\$46,379,156
Total Costs vs. Premium													
\$ Variance	\$839,385	(\$212,291)	(\$630,738)	(\$938,513)	\$302,999								(\$639,158)
% Variance	90.9%	102.3%	106.8%	110.2%	96.8%								101.4%



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

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
July 14, 2016 9:00 AM**

AGENDA DATE: July 14, 2016

ITEM NUMBER: Item 15

SUBJECT: Receive Gallagher Report on Preliminary 2017 Health Plan Renewal

REQUEST(S): That the Board Receive and File Gallagher's Report on the Preliminary 2017 Health Plan Renewal.

DESCRIPTION:

See attached "Gallagher Report on Preliminary 2017 Health Plan Renewal"

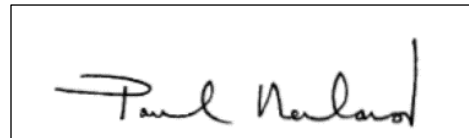
FISCAL IMPACT/FINANCING:

None at this time.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager

Preliminary 2017 Health Plan Renewal

Self-Insured PPO and Minimum Premium HMO Plans

After a preliminary evaluation of the experience for both the PPO and the HMO lines of coverage, Gallagher Benefit Services is projecting an overall increase of 16% - 20% from the current premium levels. Based upon previous conversations with both the Board and their representatives, GBS will be analyzing the data (through June 2016) and preparing the final renewal projections for the following scenarios:

- A) GBS will prepare options reflecting separate rate actions for the PPO and the HMO. These renewal projections would be based upon the experience of each medical option. GBS is estimating an increase of between 14% and 18% for the HMO and 17% and 21% for the PPO.
- B) GBS will prepare options reflecting renewal increases based upon three distinct groups: County of Fresno, County of Tulare and All Other Entities. With growing concern over subsidies and appropriateness of rate vs risk, this would facilitate the evaluation of new groups added and follow the SJVIA underwriting guidelines.
- C) GBS will prepare options reflecting a risk adjustment factor for each PPO option based upon the experience data that we have for each PPO plan (\$0 deductible, \$250 deductible, etc.). The PPO rate action would produce the same premium required under one standard increase across all options. However, rate action would be centered on a selected base plan. Each PPO option would then receive an appropriate rate action for 2017 based upon the experience within that plan. As an example, the PPO 1000 may receive a 5% increase, while the PPO 250 may incur an increase of 25%. This would allow the SJVIA to align premium costs with risk in a more appropriate manner.
- D) GBS will prepare options reflecting current underwriting guidelines. These guidelines allow the SJVIA to assess an "Experience Modification Factor" of up to 5% to any group with claims experience significantly greater than the SJVIA pool. This Experience Modification Factor would be added on top of any rate action proposed as part of the overall renewal strategy.

Reserve Strategy

Under each of these scenarios, we will be presenting the renewal recommendations without any reference to, addition to or subtraction from the reserve amount. With the amount of a reserve still being a point of contention, we would like the SJVIA to inform us as to the actual amount of cash on hand for a reserve. We will then compare that number to the actuarial factors (8%-9%) and historical factors (14%). Once the differential between actual and the amount desired by the Board is calculated, we will develop a strategy to reach that agreed upon goal.

Anthem Fixed Cost Components

GBS has received an initial renewal request from Anthem Blue Cross. For the minimum premium HMO plan the overall increase to the fixed cost components (pooling, retention, and capitation) is 2.2%. For the PPO plan, Anthem is requesting an increase of 10.6% over the current administrative fees. GBS is working with Anthem to negotiate these renewal increases and also to develop strategies for cost containment such as plan benefit changes.

Other Fixed Cost Components

As in past years, preliminary renewal information for the stop loss policy is not released until later in the year. However, the projections include anticipated renewal increases given market information and claims data of the SJVIA. As part of each renewal, Gallagher obtains proposals from alternative stop loss vendors to ensure the most competitive position.

The administrative renewal requests from Health Now Administrative Services and Blue Shield of CA for the City of Tulare PPO plans is not yet available.

Underwriting Guidelines

Gallagher Benefit Services recommends that the evaluation and adjustment of the underwriting guidelines be put on hold until after the renewal is finalized. We will be able to use the final data and decisions to determine which of the rules need to be adjusted. GBS has identified the following areas for discussion:

- 1) Should the minimum group size be adjusted?
- 2) Should the re-evaluation period be less than 3 years?
- 3) Should plan options for new groups be limited?

Kaiser HMO

As of the date of this report, GBS has not yet received renewal information from Kaiser for their HMO plan offerings.

Fully Insured Dental and Vision Plans

The SJVIA has contracts in place with Delta Dental for both PPO and HMO dental plans and Vision Service Plan (VSP) for vision. Both of these contracts are under a two year pricing guarantee. The next renewal cycle for these plans will be January 1, 2018.

Participating Entities

Entrance into the SJVIA requires a minimum of a three year contract term. The entities listed below with current enrollment have satisfied their commitment and are eligible for renewal or could leave the SJVIA if they so choose.

- The City of Tulare (333)
- The City of Ceres (99)
- The City of Waterford (14)
- The City of San Joaquin (17)
- The City of Shafter (157)
- The City of Sanger (98)
- The City of Gustine (20)
- The City of Farmersville (33)
- The City of Riverbank (44)
- The City of Reedley (118)
- The City of Wasco (56)
- The City of Newman (25)



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**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
July 14, 2016 9:00 AM**

AGENDA DATE: July 14, 2016

ITEM NUMBER: Item 16

SUBJECT: Review County of Fresno/County of Tulare Loan Payment Impact on 2017 Renewal Rates and Consider Providing Direction to Negotiate Payment Extension (A)

REQUEST(S): For the Board to Review County of Fresno/County of Tulare Loan Payment Impact on 2017 Renewal Rates and Consider Providing Direction to Negotiate Payment Extension

DESCRIPTION:

On December 15, 2015, the County of Fresno executed an [agreement](#) with the SJVIA authorizing a cash advance up to \$2 Million to meet current cash flow needs. The terms of the loan require that the SJVIA repay the County of Fresno on or before December 31, 2017. It is anticipated that the County of Tulare will execute an agreement with the same terms and conditions on July 19, 2016. The County of Fresno has already loaned the \$2 Million authorized to the SJVIA and it is anticipated that, pending adoption of the loan by the County of Tulare, the remaining \$2 Million may be necessary before the end of the current plan year.

Therefore, under current terms and conditions, it is necessary to build repayment of the entire amount to the 2017 SJVIA rates. Adding the \$2-4 Million repayment to the 2017 rates on top of rebuilding a healthy reserve will require a larger rate increase. Negotiating the terms of the loan with an extension for repayment would allow the Health Plan to spread out the impact to the renewal rates over more than one year.

FISCAL IMPACT/FINANCING:

To be determined

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 14, 2016

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager

Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
July 14, 2016 9:00 AM

AGENDA DATE: July 14, 2016

ITEM NUMBER: Item 17

SUBJECT: Receive and Provide Direction on SJVIA Staffing

REQUEST(S): That the Board receive additional information and provide direction on SJVIA staffing

DESCRIPTION:

At the SJVIA Board Meeting on April 29, 2016, staff presented an [informational report](#) on the administration of the SJVIA as provided by staff from County of Fresno/Tulare and through agreements with vendors. It also included a [summary report of administrative cost](#) for staff time from July 1, 2015 to April 22, 2016. Attached to this item is an updated report for staff time through the end of the fiscal year (June 30, 2016). As part of the agenda item discussion at the last meeting, your Board directed that staff return with additional information regarding the potential for an Executive level position for the SJVIA.

It should be noted that the Senior HR Analyst currently dedicated to the SJVIA is on a medical leave of absence and the full report and analysis will take additional time to come back to your Board. However, staff recommends that the SJVIA Board keep the future hiring of an Executive to oversee the SJVIA as a future goal and staff will return with additional information and analysis.

By way of comparison, CSAC-EIA offers a health insurance pool that is somewhat similar to the SJVIA, however, they have additional administration and [governance built in to CSAC-EIA](#) that may help minimize the need for additional staff. However, CSAC-EIA uses an [Employee Benefits Manager](#) and Employee Benefits Specialist. The Employee Benefits Manager position was [open for recruitment](#) last year and revealed the advertised pay range of \$111,500 to \$139,000 per year. Staff requests direction from the Board as to a conceptual target date for SJVIA staff and/or criteria that will determine viability.

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 14, 2016

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



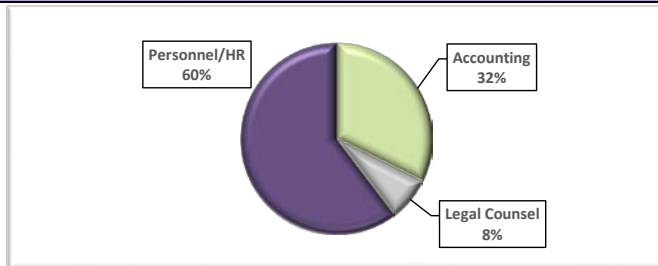
Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager

Administrative Cost Report
Invoice Dates July 1, 2015 through June 30, 2016

Payee	Description	Invoice Number	Invoice Date	Amount	Date Paid
ACTTC	Accounting Services, PPE 6/21, 7/5 & 7/19/15	916	8/17/2015	\$ 8,551.13	9/11/2015
ACTTC	Accounting Services, PPEs 8/2, 8/16 & 8/30/15	929	9/17/2015	\$ 12,342.46	4/1/2016
ACTTC	Accounting Services, PPEs 9/3 & 9/27/15	942	10/27/2015	\$ 9,852.28	4/1/2016
ACTTC	Accounting Services, PPEs 10/11 & 10/25/15	954	11/30/2015	\$ 15,576.53	4/15/2016
ACTTC	Accounting Services, PPEs 11/8 & 11/22/15	959	12/14/2015	\$ 10,911.52	4/15/2016
ACTTC	Accounting Services, PPEs 12/6 & 12/20/15	970	1/6/2016	\$ 10,794.14	4/15/2016
ACTTC	Accounting Services, PPEs 1/3, 1/17 & 1/31/16	989	2/25/2016	\$ 15,504.00	4/15/2016
ACTTC	Accounting Services, PPEs 2/14 & 2/28/16	999	3/28/2016	\$ 12,135.84	4/15/2016
ACTTC	Accounting Services, PPEs 3/13 & 3/27/16	1003	4/8/2016	\$ 11,555.45	4/15/2016
ACTTC	Accounting Services, PPEs 4/10 & 4/24/16	1022	5/23/2016	\$ 9,514.93	6/9/2016
Fresno County Counsel	Professional Services for 6/22-6/30/15, 7/6-7/19/15	24, 26	7/31/2015	\$ 546.97	8/4/2015
Fresno County Counsel	Professional Services for 7/20-8/16/15	1	8/25/2015	\$ 255.30	9/2/2015
Fresno County Counsel	Professional Services for 8/17-9/13/15	2	9/18/2015	\$ 778.47	1/20/2016
Fresno County Counsel	Professional Services for 9/14-10/11/15	3	10/22/2015	\$ 992.54	4/11/2016
Fresno County Counsel	Professional Services for 10/12-11/8/15	4	11/13/2015	\$ 4,936.99	4/11/2016
Fresno County Counsel	Professional Services for 11/9/15-12/6/15	5	12/14/2015	\$ 3,643.73	4/11/2016
Fresno County Counsel	Professional Services for 12/7/15-1/1/16	6	1/15/2016	\$ 1,525.00	4/11/2016
Fresno County Counsel	Professional Services for 1/4/16-1/31/16	7	2/12/2016	\$ 1,681.13	4/11/2016
Fresno County Counsel	Professional Services for PPEs 2/1/16-2/28/16	8	3/7/2016	\$ 1,817.34	4/11/2016
Fresno County Counsel	Professional Services for 2/29/16-3/27/16	9	4/7/2016	\$ 2,863.28	4/12/2016
Fresno County Counsel	Professional Services for 3/28/16-4/26/16	10	5/9/2016	\$ 1,329.80	5/18/2016
Fresno County Personnel	SJVIA Labor Billing PPEs 6/21/15 to 8/2/15	SJVIA-1601	8/13/2015	\$ 46,807.28	8/17/2015
Fresno County Personnel	SJVIA Labor Billing PPEs 8/16-9/13/15	SJVIA-1602	9/30/2015	\$ 18,212.75	2/16/2016
Fresno County Personnel	SJVIA Labor Billing PPEs 9/27-10/25/15	SJVIA-1603	11/3/2015	\$ 33,010.53	2/16/2016
Fresno County Personnel	SJVIA Labor Billing PPEs 11/8-12/6/15	SJVIA-1604	12/16/2015	\$ 21,403.93	2/16/2016
Fresno County Personnel	SJVIA Labor Billing PPEs 12/20/15-1/17/16	SJVIA-1605	1/26/2016	\$ 18,309.46	2/16/2016
Fresno County Personnel	SJVIA Labor Billing PPE 1/31/16	SJVIA-1606	2/9/2016	\$ 6,253.89	2/16/2016
Fresno County Personnel	SJVIA Labor Billing PPEs 2/14-3/13/16	SJVIA-1607	3/24/2016	\$ 23,181.02	4/5/2016
Fresno County Personnel	SJVIA Labor Billing PPEs 3/27/16-4/24/16	SJVIA-1608	5/3/2016	\$ 20,122.26	5/18/2016
Tulare County Counsel	Legal Services 4/13/15-6/25/15	SJVIA2015(e)	8/13/2015	\$ 834.10	8/17/2015
Tulare County Counsel	Legal Services 10/1/15-12/31/15	SJVIA-2016(b)	1/15/2016	\$ 2,691.80	4/11/2016
Tulare County Counsel	Legal Services 7/1/15-9/30/15	SJVIA2016(a)	11/13/2015	\$ 840.00	5/13/2016
Tulare County Counsel	Legal Services 1/1/16-3/31/16	SJVIA2016(c)	4/13/2016	\$ 2,007.80	5/13/2016
Tulare County Human Resources	SJVIA Billing 6/28/15-10/3/15	SJVIA007	10/5/2015	\$ 6,720.30	10/8/2015
Tulare County Human Resources	SJVIA Billing 10/4/15-12/26/15	SJVIA008	4/14/2016	\$ 11,389.81	4/22/2016
Tulare County Human Resources	SJVIA Billing 12/27/15-4/2/16	SJVIA009	4/19/2016	\$ 12,717.86	4/22/2016



Accounting	\$116,738.28
Legal Counsel	\$26,744.25
Personnel/HR	\$218,129.09
TOTAL:	\$ 361,611.62



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
July 14, 2016 9:00 AM

AGENDA DATE: July 14, 2016

ITEM NUMBER: Item 18

SUBJECT: 2016 SJVIA Walking Works Trophy Presentation

REQUEST(S): That the Board award trophies to the winning entities

DESCRIPTION:

Congratulations to the following winners of the 2016 SJVIA Walking Works Challenge:

Highest Average Steps:

- County of Tulare – 9,832
- City of Ceres – 11,211
- Superior Court of Sutter County – 14,473

Highest Participation Percentage:

- County of Tulare – 27.27%
- City of Reedley – 60%
- City of Escalon – 55%

FISCAL IMPACT/FINANCING:

None

ADMINISTRATIVE SIGN-OFF:

Rhonda Sjostrom
 SJVIA Manager

Paul Nerland
 SJVIA Assistant Manager



**SERVICE EMPLOYEES
INTERNATIONAL UNION
CTW-CLC**

SAN JOSE H.Q.

2302 Zanker Road
San Jose, CA 95131

Phone: 408-678-3300
Fax: 408-954-1538

Phone: 408-678-3398
(Vendors)

BAKERSFIELD

1001 17th Street
Bakersfield, CA 93301

Phone: 661-321-4160
Fax: 661-325-7814

FRESNO

5228 E. Pine Avenue
Fresno, CA 93727

Phone: 559-447-2560
Fax: 559-261-9308

HANFORD

101 N. Irwin St., Suite 205
Hanford, CA 93230

Phone: 559-587-1521
Fax: 559-587-1524

SALINAS

HOLLISTER

334 Monterey Street
Salinas, CA 93901

Phone: 831-784-2560
Fax: 831-757-1863

Phone: 831-636-3455
Fax: 831-636-0787
(Hollister)

SAN CARLOS

981 Industrial Rd., Suite A
San Carlos, CA 94070

Phone: 650-801-3500
Fax: 650-595-1930

SANTA CRUZ

WATSONVILLE

517B Mission Street
Santa Cruz, CA 95060

Phone: 831-824-9255
Fax: 831-459-0756

Fax: 831-724-9095
(Watsonville)

VISALIA

1811 W. Sunnyside Avenue
Visalia, CA 93277

Phone: 559-635-3720
Fax: 559-733-5006

www.seiu521.org

July 7, 2016

Sent via email to: rsjostro@co.tulare.ca.us
pnerland@co.fresno.ca.us
and via U.S.P.S. First Class Mail

Ms. Rhonda Sjostrom, Manager
Mr. Paul Nerland, Assistant Manager
San Joaquin Valley Insurance Authority
295 E. Sierra Avenue
Fresno, CA 93710

Re: July 14 Board Meeting – Agenda Item Request

Dear Rhonda and Paul,

This letter serves as SEIU Local 521's official request to place an item on the SJVIA July 14 board agenda. We would like to secure 15-20 minutes of time to make our presentation. Details of our agenda item are outlined below.

SUBJECT: Receive SEIU Local 521 presentation regarding SJVIA's cash flow situation

REQUESTS: That the board receive and file SEIU Local 521 presentation

DESCRIPTION: Over the past six months the SJVIA Board has received several reports/reviews regarding the financial situation at SJVIA along with multiple recommendations. This presentation is SEIU Local 521's initial response to these reviews and recommendations. We look forward to working with the Board to better understand our healthcare and achieve the most affordable and highest quality healthcare for all.

We appreciate your prompt response to this request. Should you have any questions/concerns regarding this request, please do not hesitate to contact me by phone at (559) 635-3731 or by email at teneya.johnson@seiu521.org.

Sincerely,

Teneya Johnson
Regional Director

c: Fresno County Chapter Executive Board

TJ:lem

TJ:lem opeiu29afl-cio 2016© SEIU 521 CTW/CLC
SJVIA, Sjostrom, Rhonda Request Agenda Item at Board Meeting Ltr. 7.7.16

