

AGENDA

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 17, 2015 9:00 AM**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Approval of Agenda (A)
5. Public Comment: At this time, members of the public may comment on any item, within the jurisdiction of the SJVIA, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less. Anyone wishing to have a specific item placed on the agenda for a future meeting should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the scheduled meeting.
6. Approval of Minutes – Board Meeting of April 10, 2015 (A)
7. Receive and File Quarterly Financial Report (A)
8. Authorization of the Release of Proposals for Participation and Authorization of Execution of Participation Agreement(s) for City of Oroville, City of Selma, City of Chowchilla, and County of Modoc (A)
9. Receive and File SJVIA Executive Claims Summary Through May 2015 (I)
10. Receive Report on Medical Administrative Request for Proposals (I)
11. Receive Report on Request for Proposals for Prescription Benefit Management (PBM) (I)
12. Receive Report on Wellness Program Activities and Overall Program Performance (I)
13. Receive Report on Preliminary 2016 Health Plan Renewal (I)
14. Adjournment

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

MINUTES

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1. Call to Order

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

2. Roll Call – Add to the Agenda, Item number 2. Flag Solute

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

3. Approval of Agenda (A)

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

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

5. Approval of Minutes – Board Meeting of April 10, 2015 (A)

Director Worthley moved to approve the April 10, 2015 Meeting Minutes; the motion was seconded by Director Ennis. The motion passed unanimously.

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6. Receive and File Quarterly Financial Report through February 2015 (I)

Alan Thaxter, Gallagher Benefits Services, presented the claims summary through February 2015. He pointed out this report includes the new members who joined January 1, 2015 – City of Hanford, City of Clovis, City of Oakdale, City of Hughson, City of Riverbank, and City of Modesto. This now totals 20 entities within SJVIA, including the founding members. Enrollment is continuing to increase year over year and trend is substantially lower than other plans on the market.

7. Authorization of the Release of Proposals for Participation and Execution of Participation Agreement(s) for City of Coalinga and City of Livingston (A)

Alan Thaxter, Gallagher Benefit Services, requested approval to release proposals for City of Coalinga and City of Livingston. Alan verified that both cities meet the new underwriting guidelines. It was announced that the County of Sutter, Sutter Superior Court, and City of Marysville are entering into the SJVIA effective July 1, 2015.

LeRoy Tucker, Gallagher Benefit Services, spoke on behalf of the City of Coalinga stating they have been a Gallagher client for many years. Their medical plan has been running very well. Blue Shield provided a concession for their fully insured medical plan for the past two years. Director Vander Poel, inquired on the trend for Blue Shield of California. The trend is running around 13.9% over the past two years. Vander Poel requested to see the difference between the fixed costs against the fully insured rates. LeRoy explained how they add margin to the fully insured rates. Administratively the self-funded plans bill more with a majority being built in retention. Fully insured plans estimate 85% will be paid out in claims and the rest in fixed cost. SJVIA is beating the fully insured model by 4% currently.

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Director Vander Poel moved to approve the Release of Proposals for Participation and Execution of Participation Agreement; the motion was seconded by Director Ennis. The motion passed unanimously.

8. Report on Wellness Activities (I)

Paul Nerland, SJVIA Assistant Manager, spoke about the new wellness program with Viverae. The program officially launched on January 1, 2015. The onsite biometric health screenings are scheduled for February through April. The SJVIA is currently negotiating with Viverae in regards to services that were billed and not rendered. A concession is being discussed at the current time. Paul advised the Board about the bio-metric screening discounted price. When the plan was implemented it was anticipated that the \$59.95 included the 35 blood panel test. Which is incorrect this charge is for the 5 panel blood test. Next year the SJVIA will obtain a proposal to include the 35 panel blood test. Current cost is \$95.00 for the 35 panel test through Viverae.

9. Approve Recommended Vendor for Wellness Incentive Fulfillment (A)

Rhonda Sjostrom, SJVIA Manager, confirmed that the participation for wellness challenges are rewarded with incentives. Each member will be able to receive up to two \$50 VISA cards if they meet or exceed both point levels. Director Vander Poel, asked if the County of Tulare remits this through the payroll. This is a taxable remittance. Vander Poel made a point to that this defeats the purpose of having something tangible. Director Worthley, agreed that most County of Tulare employees will not even notice they received an incentive. It was suggested that both Counties distribute the incentives like the County of Fresno. Paul spoke up and said, both Counties are currently working with the Auditor's Department, to see what the taxable guidelines are for distributing incentives. The SJVIA recommendation is to go with Healthy Adventures. This vendor is a non-profit company that works

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directly with the County of San Diego. Michele Mills, Gallagher Benefit Services, enquired on who has the authority to sign an Amendment. Kevin Chicas, County of Tulare Counsel, inquired as well. The Board of Directors decided it should be the Chairperson.

Director Vander Poel moved to approve the Recommended Vendor for Wellness Incentive Fulfillment 5; the motion was seconded by Director Ennis. The motion passed unanimously.

10. Report on Services Cost (I)

Paul Nerland, Explained that the current underwriting guidelines set a minimum group size is 50 employee lives. Underwriting methodology provides for an anticipated claims adjustment for groups with less than 2,000 lives. In order to offset the potential for large claims variance. Additionally, new member entity groups (non-founding members) are charged an additional fee Per Member Per Month (PMPM) to help offset the acquisition costs associated with on-boarding these new groups.

11. Adjournment

Meeting was adjourned at 9:49 am by Director Poochigian.

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SJVIA

San Joaquin Valley
Insurance Authority

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Association Board Chambers
1111 H Street
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July 17, 2015
9:00 AM

AGENDA DATE: July 17, 2015

ITEM NUMBER: 7

SUBJECT: Quarterly SJVIA financial update

REQUEST(S): That the Board receives the financial update through 3rd quarter,
2014-15

DESCRIPTION: Informational item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:

Vicki Crow
SJVIA Auditor-Treasurer

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

IN THE MATTER OF

**RESOLUTION NO. _____
AGREEMENT NO. _____**

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2015

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%
RECEIPTS								
TOTAL RECEIPTS	\$28,149,928	\$28,475,697	\$325,769	1%	\$84,449,783	\$80,533,256	(\$3,916,527)	(5%)
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	189,739	203,483	(13,744)	(7%)	569,216	529,387	39,829	7%
2 Anthem ASO Administration & Network Fees (PPO)	367,607	368,910	(1,303)	(0%)	1,102,822	1,058,831	43,991	4%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	186,195	165,482	20,713	11%	558,584	531,747	26,837	5%
4 GBS Consulting	124,236	121,272	2,964	2%	372,709	354,028	18,681	5%
5 SJVIA Administration	76,098	76,941	(843)	(1%)	228,294	219,794	8,500	4%
6 Wellness	180,371	366,662	(186,291)	(103%)	541,113	385,662	155,451	29%
7 Communications	16,078	44	16,034	100%	48,235	704	47,531	99%
8 Anthem HMO Pooling	389,804	383,060	6,744	2%	1,169,412	1,095,185	74,227	6%
9 Anthem HMO Administration/Retention	621,635	670,604	(48,969)	(8%)	1,864,906	2,912,593	(1,047,687)	(56%)
10 ACA Reinsurance (PPO & HMO)	242,210	865,859	(623,649)	(257%)	726,631	897,685	(171,054)	(24%)
TOTAL FIXED DISBURSEMENTS	2,393,973	3,222,317	(828,344)	(35%)	7,181,922	7,985,616	(803,694)	(11%)
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	16,737,383	17,297,101	(559,718)	(3%)	50,212,149	48,683,647	1,528,502	3%
12 Anthem MMP HMO Capitation	4,289,079	4,038,065	251,014	6%	12,867,237	12,512,670	354,567	3%
TOTAL CLAIMS DISBURSEMENTS	21,026,462	21,335,166	(308,704)	(1%)	63,079,386	61,196,317	1,883,069	3%
DISBURSEMENTS: Premiums								
13 Delta Dental	1,517,155	1,430,183	86,972	6%	4,551,464	4,447,494	103,970	2%
14 Vision Service Plan	240,724	227,319	13,405	6%	722,172	724,541	(2,369)	(0%)
15 Kaiser Permanente	3,762,766	4,121,544	(358,778)	(10%)	11,288,297	7,033,052	4,255,245	38%
TOTAL PREMIUM DISBURSEMENTS	5,520,645	5,779,046	(258,401)	(5%)	16,561,933	12,205,087	4,356,846	26%
TOTAL DISBURSEMENTS	28,941,080	30,336,529	(1,395,449)	(5%)	86,823,241	81,387,020	5,436,221	6%
16 Change in Reserve	(791,152)	(1,860,832)	(1,069,680)	(135%)	(2,373,458)	(853,764)	1,519,694	64%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$28,149,928	\$28,475,697	\$325,769	1%	\$84,449,783	\$80,533,256	(\$3,916,527)	(5%)

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

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

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

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

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2015

Current Quarter

Year-To-Date

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
\$80,665	\$245,553	\$15,781
19,929		
2,500		
44,343		
6,000		
4,169		
	366,662	
		44
76,941	366,662	44
\$3,724	(\$121,109)	\$15,737

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
\$215,437	\$401,577	\$45,243
68,511		
11,606		
91,581		
30,278		
6,000		
11,818		
	385,662	
		704
219,794	385,662	704
(\$4,357)	\$15,915	\$44,539

FY14-15

Receipts**

Disbursements:

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

Change in Administration, Wellness & Communications Reserve

*Total disbursements for each column correspond to the line number shown on the "ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS" report.

**Receipts consist of fees collected from relevant enrollees at the following rates per employee per month: Various rates for administration(\$2.00 for SJVIA administration fees & various rates for non-founding member fees depending upon a participant's enrollment), \$9.30 for wellness(\$2.50 for wellness fees & \$6.80 for Viverae wellness fees) & \$.50 for communications fees.

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

San Joaquin Valley Insurance Authority
Schedule of Cash Flow by Month
For the Nine Months Ended March 31, 2015

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
BEGINNING CASH BALANCES:										
Claims Funding Account	\$ 569,349	\$ 109,928	\$ 193,870	\$ 336,528	\$ 255,832	\$ 296,556	\$ 905,049	\$ 181,353	\$ 97,020	\$ 569,349
Fixed Cost Account	1,377,314	2,474,229	2,498,368	462,525	512,120	512,909	463,083	540,178	600,708	1,377,314
Claims Reserve Account	189,819	1,552,818	1,014,679	1,323,501	1,462,954	1,015,683	1,329,643	1,994,543	2,749,213	189,819
Investment Pool-Note 1	5,065,073	5,078,099	5,078,099	5,078,099	5,091,283	5,091,283	5,091,283	5,105,363	4,097,095	5,065,073
Total Beginning Balances	7,201,555	9,215,074	8,785,016	7,200,653	7,322,189	6,916,431	7,789,058	7,821,437	7,544,036	7,201,555
RECEIPTS:										
Claims Funding Account	5,605,961	3,690,907	5,333,659	4,704,825	2,729,226	4,145,820	3,466,902	2,906,333	4,919,412	37,503,045
Fixed Cost Account	4,062,691	3,188,275	3,192,934	5,247,769	1,863,897	4,219,169	2,371,605	5,631,673	4,460,902	34,238,915
Claims Reserve Account	9,385,605	5,498,291	8,002,374	8,288,178	4,346,196	6,901,305	6,593,791	8,673,567	7,606,888	65,296,195
Investment Pool	13,026	-	-	13,184			14,080			40,290
	19,067,283	12,377,473	16,528,967	18,253,956	8,939,319	15,266,294	12,446,378	17,211,573	16,987,202	137,078,445
DISBURSEMENTS:										
Claims Funding Account	6,065,382	3,606,965	5,191,001	4,785,521	2,688,502	3,537,327	4,190,598	2,990,666	4,918,819	37,974,781
Fixed Cost Account	2,965,776	3,164,136	5,228,777	5,198,174	1,863,108	4,268,995	2,294,510	5,571,143	4,207,211	34,761,830
Claims Reserve Account	8,022,606	6,036,430	7,693,552	8,148,725	4,793,467	6,587,345	5,928,891	7,918,897	8,634,484	63,764,397
Investment Pool	-	-	-					1,008,268		1,008,268
TOTAL DISBURSEMENTS	17,053,764	12,807,531	18,113,330	18,132,420	9,345,077	14,393,667	12,413,999	17,488,974	17,760,514	137,509,276
ENDING CASH BALANCES:										
Claims Funding Account	109,928	193,870	336,528	255,832	296,556	905,049	181,353	97,020	97,613	97,613
Fixed Cost Account	2,474,229	2,498,368	462,525	512,120	512,909	463,083	540,178	600,708	854,399	854,399
Claims Reserve Account	1,552,818	1,014,679	1,323,501	1,462,954	1,015,683	1,329,643	1,994,543	2,749,213	1,721,617	1,721,617
Investment Pool	5,078,099	5,078,099	5,078,099	5,091,283	5,091,283	5,091,283	5,105,363	4,097,095	4,097,095	4,097,095
Total Ending Balances	\$ 9,215,074	\$ 8,785,016	\$ 7,200,653	\$ 7,322,189	\$ 6,916,431	\$ 7,789,058	\$ 7,821,437	\$ 7,544,036	\$ 6,770,724	\$ 6,770,724

Note 1: The SJVIA transferred a \$5 million investment from the County of Tulare investment pool into the County of Fresno investment pool on January 2015 to obtain a higher yield. The County of Tulare yield paid during the quarter ended 3/31/15 was 1.10% with quarterly earnings of \$14,080. The County of Fresno interest for the quarter ended 3/31/15 will be paid next quarter.

Glossary of Terms:

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

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

Aggregate: Insurance coverage for eligible claims under the specific deductible on the aggregated amount for all member claims.
- 2 **Administration & Network Fees (Anthem & Blue Shield PPO)**

ASO is "Administrative Services Only". This definition includes Anthem Blue Cross & Blue Shield administration fees and includes access fees to use the Blue Cross & Blue Shield network of providers. This is the administration fee for the PPO plan(s), not the HMO plan.
- 3 **Chimienti Associates/Hourglass Administration (PPO & Anthem HMO)**

Chimienti & Associates is an independent vendor providing consolidated billing, eligibility, automated enrollment and Section 125 administrative services. Hourglass and ASI are subcontractors to Chimienti Associates that assist in these administrative processes. This line is for health plans excluding HealthNow/Blue Shield.
- 4 **GBS Consulting**

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

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

This rate category is for special claims management services and may include some wellness applications that are outside and additional to the claims management services provided by the insurance company. This category includes charges for Viverae which is an independent vendor providing wellness and disease management services. These services include disease management, health coaching, challenges, website portal, and wellness resources for participants in the SJVIA health plans.
- 7 **Communications**

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

This is for the specific stop loss pooling insurance for claims in excess of \$400k within the HMO (not PPO).
- 9 **Anthem HMO Administration/Retention**

Anthem Blue Cross administration fees and includes access fees to use the Blue Cross network of providers for the HMO plan.
- 10 **ACA Reinsurance (PPO & HMO)**

The Affordable Care Act (ACA) includes the following fees on insurance plans: 1) Patient Centered Outcomes Research Institute (PCORI)-this fee is \$2.00 per covered member per year. 2) Transitional Reinsurance Fee-this fee is \$63.00 per covered member per year.
- 11 **Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO**

Projected self-insured PPO claims for medical and Rx and non-capitated HMO claims (hospital).
- 12 **Anthem MPP HMO Capitation**

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

Premium for entities covered under the SJVIA Delta Dental program.
- 14 **Vision Service Plan**

Premium for entities covered under the SJVIA VSP Vision program.
- 15 **Kaiser Permanente**

Premium for entities covered under the SJVIA Kaiser HMO program.
- 16 **Change in Reserve**

Excess receipts over claims, premiums and fixed costs.



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**Meeting Location:
Fresno County Employees' Retirement
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1111 H Street
Fresno, CA 93721
July 17, 2015 9:00 AM**

AGENDA DATE: July 17, 2015

ITEM NUMBER: 8

SUBJECT: Authorization of the Release of Proposals for Participation and Execution of Participation Agreement(s) for City of Oroville, City of Selma, City of Chowchilla, and County of Modoc (A)

REQUEST(S): That the Board authorize the Release of Proposals for Participation and Execution of Participation Agreement(s) to the following entities: City of Oroville, City of Selma, City of Chowchilla, and County of Modoc.

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 this proposal and upon approval seeks authority to release an illustrative proposal for the Cities of Oroville (124), Selma (104), and Chowchilla (70), and the County of Modoc (185).

Contingent upon acceptance and approval of the respective entity's governing body, it is recommended that the Board authorize the Board President to execute the participation agreement.

FISCAL IMPACT/FINANCING:

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

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager



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PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
July 17, 2015 9:00 AM**

AGENDA DATE: July 17, 2015

ITEM NUMBER: Item 9

SUBJECT: Receive and File SJVIA Executive Claims Summary through May 2015 (I)

REQUEST(S): That the Board Receive and File SJVIA Executive Claims Summary through May 2015

DESCRIPTION:

The attached report provides an overview of several key plan metrics and is used to identify trends and outliers. As requested by your board, a "Large Claims Report" has been included in the Monthly Claims Report (see page 3 of the Attachment). This summary details on-going claims that are over \$200,000 paid-to-date. The "pooling point" is the maximum amount the SJVIA could pay in a plan year for each individual on the plan. For historical purposes, the pooling point for the HMO plan is \$400,000 and the pooling point for the PPO plan is \$450,000. The pooling point for the HMO plan was increased from \$250,000 to \$400,000 in plan year 2013. When claims reach the pooling point the SJVIA is no longer liable for the payment of further eligible claims within the policy year.

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

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

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

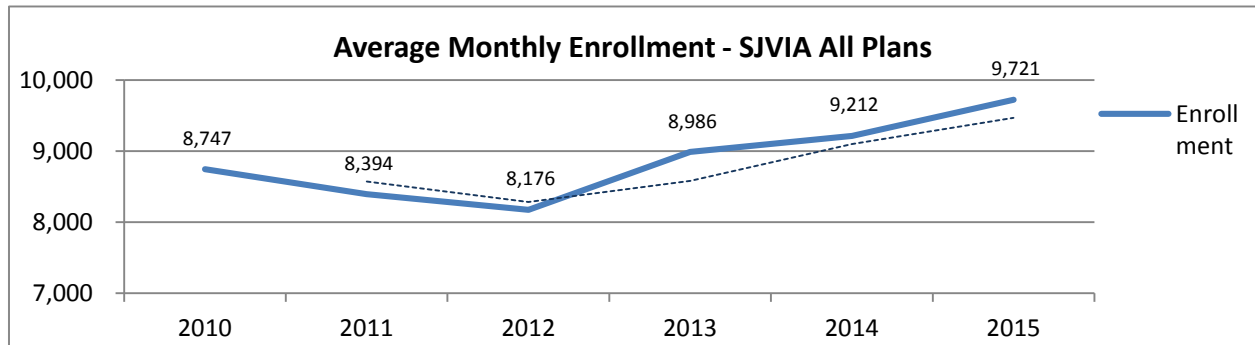
Plan Year	HMO	PPO	Overall
2010	<u>\$586.15</u> PEPM	<u>\$495.09</u> PEPM	<u>\$547.67</u> PEPM*
2011	<u>\$681.06</u> PEPM	<u>\$553.64</u> PEPM	<u>\$628.33</u> PEPM
2012	<u>\$713.19</u> PEPM	<u>\$551.65</u> PEPM	<u>\$637.06</u> PEPM
2013	<u>\$783.07</u> PEPM	<u>\$517.95</u> PEPM	<u>\$667.02</u> PEPM
2014	<u>\$797.45</u> PEPM	<u>\$620.39</u> PEPM	<u>\$721.39</u> PEPM
2015 (through May)	<u>\$892.30</u> PEPM	<u>600.18</u> PEPM	<u>\$755.99</u> PEPM

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

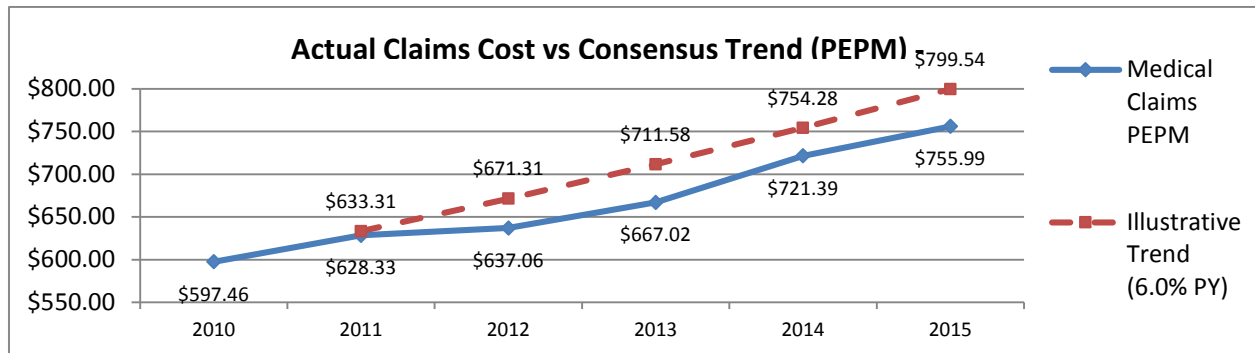
AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

The chart below shows average monthly enrollment in all SJVIA plans since inception. Enrollment dropped slightly in 2011 and 2012 but increased 9.9% in 2013 due to increased participation in the founding members' population as well as the addition of the new entities. Membership continued to grow in 2014 as a result of new entities joining the SJVIA. Several entities have joined the SJVIA in 2015 as well.



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



Overall weighted annual medical claims trend, (on a Per Employee Per Month basis) since inception of the SJVIA has been 5.49%

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

FISCAL IMPACT/FINANCING:

Informational only.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

Executive Claims Report

Data through May 2015

GALLAGHER BENEFIT SERVICES | JULY 17, 2015



SJVIA

San Joaquin Valley
Insurance Authority

Large Claim Report - 2015

San Joaquin Valley Insurance Authority Potential Large Dollar Claimants >\$200,000

HMO Plan

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

Pooling Point \$400,000

Relationship	Paid	Diagnosis	Reimbursement
DEP	\$613,266	Respiratory System (04)	\$ 380,608
SUB	\$277,593	Respiratory System (04)	\$ 42,195
SUB	\$261,114	Circulatory System (05)	\$ 249,465

Total HMO Pooling Reimbursements \$ **672,268**

PPO Plan

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

Stop Loss Deductible \$450,000

Relationship	Paid	Diagnosis	Reimbursement
DEP	\$391,046	Newborns (15)	\$38,652

Total PPO Stop Loss Reimbursements \$ **38,652**

Total SJVIA Pooling and Stop Loss Reimbursements \$ **710,920**

Large Claim Report - 2014

San Joaquin Valley Insurance Authority

Potential Large Dollar Claimants >\$200,000

HMO Plan

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

Pooling Point \$400,000

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

Total HMO Pooling Reimbursements \$ 1,202,888

PPO Plan

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

Stop Loss Deductible \$450,000

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

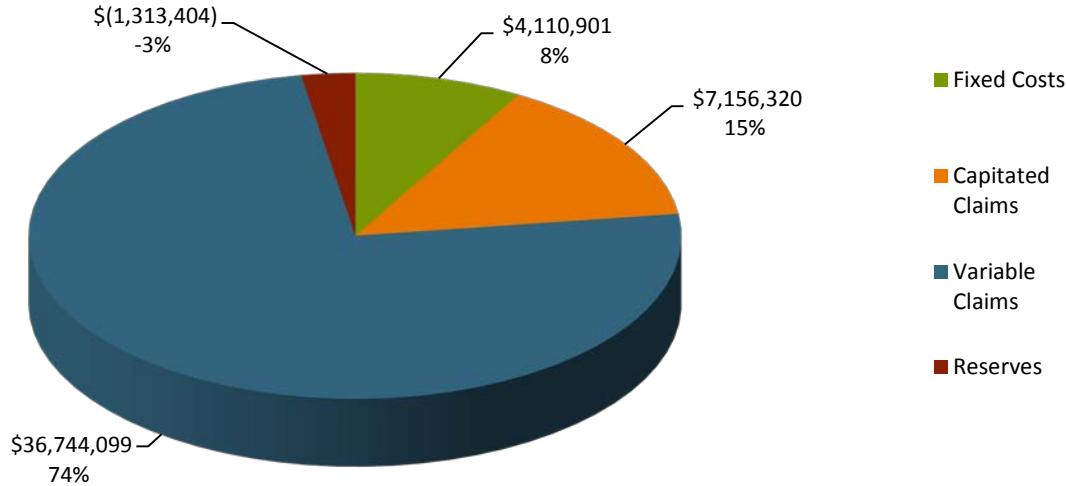
Total PPO Stop Loss Reimbursements \$ 1,539,353

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

ALL PLANS

All Plans

YTD SJVIA Premium Breakdown - 2015

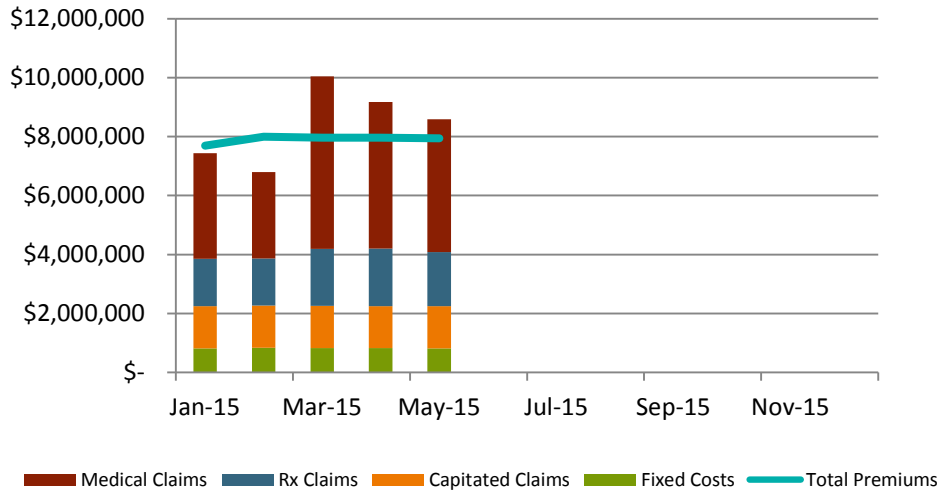


2015 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 811,969	\$ 831,451	\$ 826,960	\$ 820,882	\$ 819,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,110,901
Capitaled Claims	\$1,439,877	\$1,437,668	\$ 1,428,007	\$ 1,426,074	\$ 1,424,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,156,320
Variable Claims	\$5,181,541	\$4,526,872	\$ 7,791,298	\$ 6,923,479	\$ 6,340,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$29,587,778
Reserves	\$ 255,051	\$1,199,468	\$(2,087,467)	\$(1,210,851)	\$(645,936)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$(1,313,404)
Total	\$7,688,437	\$7,995,459	\$ 7,958,797	\$ 7,959,584	\$ 7,939,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$39,541,596

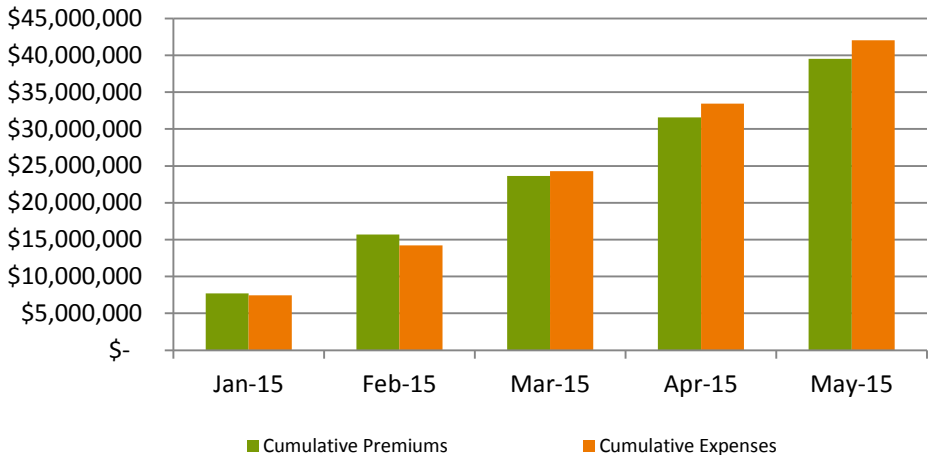
2014 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 707,785	\$ 711,342	\$ 715,576	\$ 717,474	\$ 713,324	\$ 717,575	\$ 718,339	\$ 715,900	\$ 713,026	\$ 712,925	\$ 716,541	\$ 713,416	\$ 8,573,223
Capitaled Claims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

All Plans

SJVIA Total Premiums & Expenses - 2015

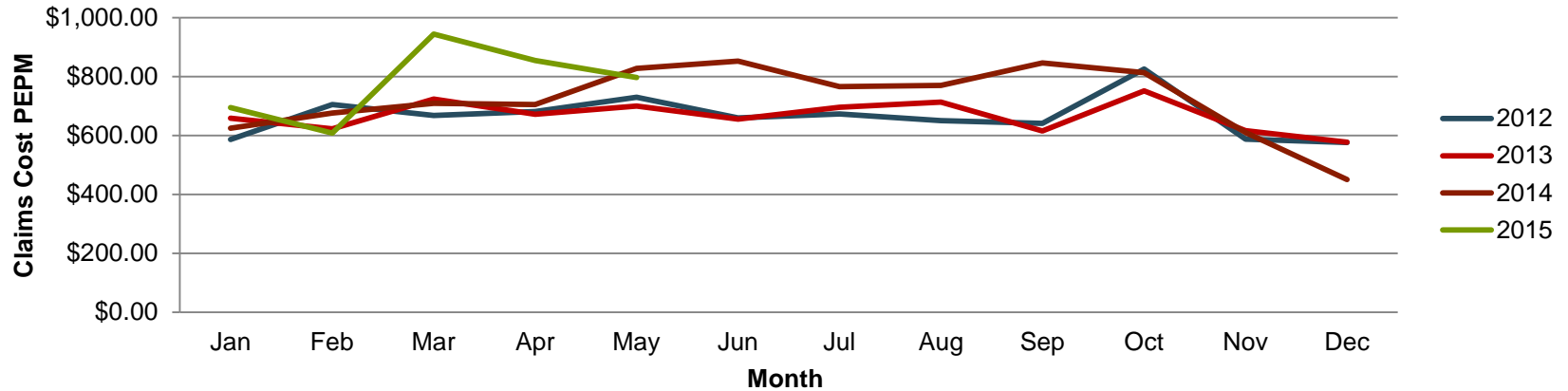


SJVIA Cumulative Premiums & Expenses - 2015

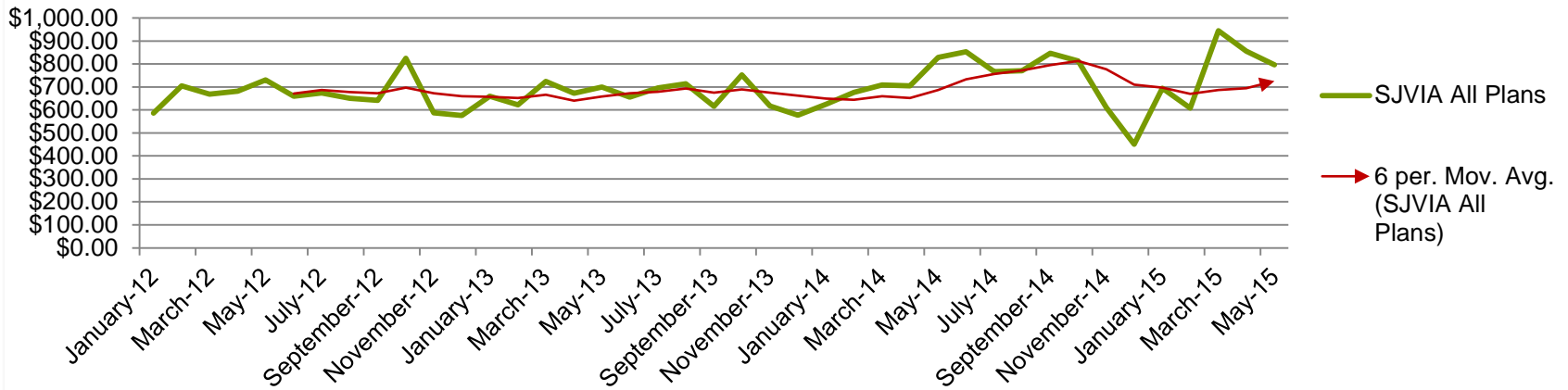


All Plans

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



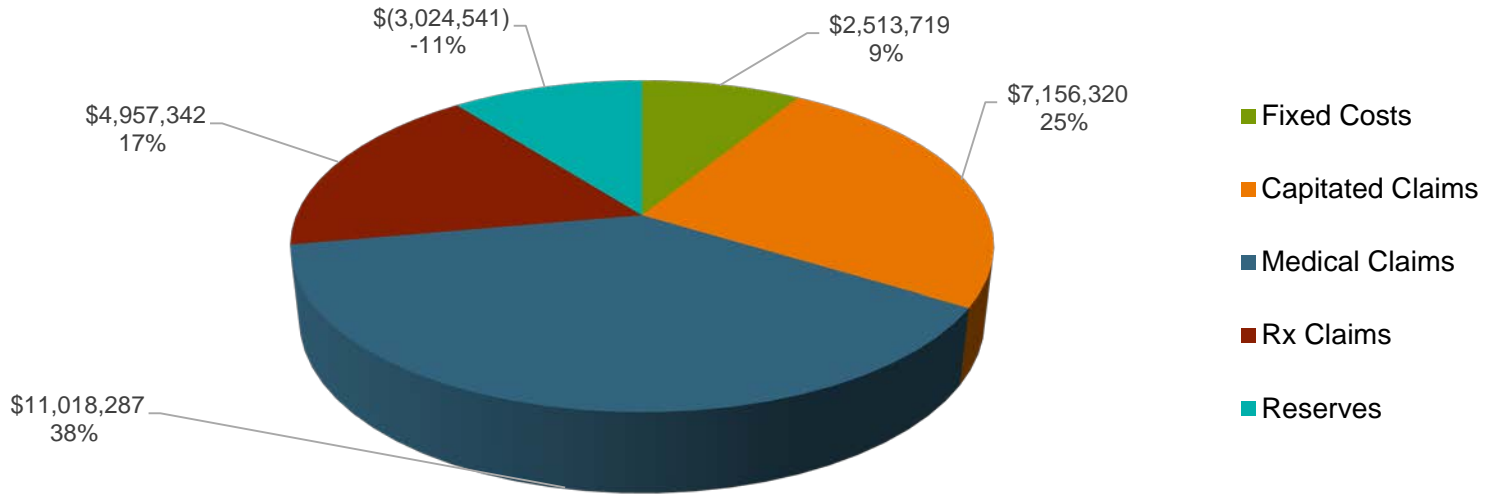
SJVIA All Plans - Claims PEPM



HMO PLAN

HMO Plan

YTD HMO Premium Breakdown - 2015

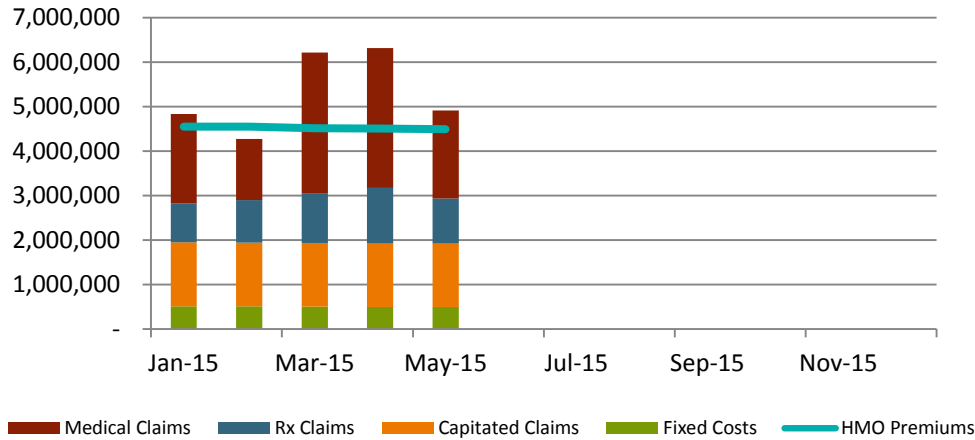


2015 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 508,488	\$ 507,361	\$ 504,078	\$ 497,144	\$ 496,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,513,719
Capitated Claims	\$ 1,439,877	\$ 1,437,668	\$ 1,428,007	\$ 1,426,074	\$ 1,424,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,156,320
Medical Claims	\$ 2,002,411	\$ 1,378,009	\$ 3,177,783	\$ 3,146,480	\$ 1,985,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,018,287
Rx Claims	\$ 882,849	\$ 954,511	\$ 1,112,202	\$ 1,251,650	\$ 1,012,108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,957,342
Reserves	\$ (280,908)	\$ 272,181	\$ (1,703,969)	\$ (1,813,803)	\$ (426,287)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,024,541)
Total	\$ 4,552,716	\$ 4,549,730	\$ 4,518,101	\$ 4,507,545	\$ 4,493,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,621,127

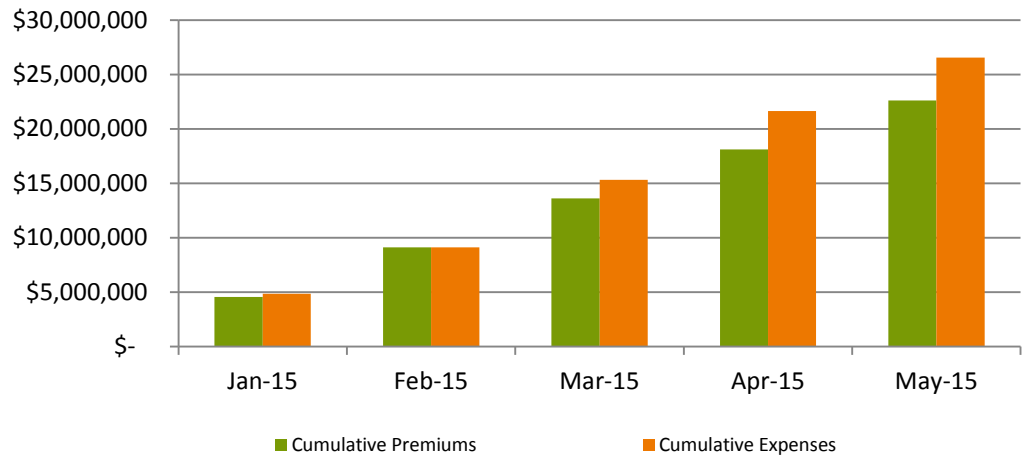
2014 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 457,177	\$ 458,687	\$ 461,755	\$ 461,292	\$ 459,638	\$ 461,911	\$ 462,104	\$ 461,835	\$ 459,027	\$ 460,341	\$ 462,104	\$ 460,963	\$ 5,526,833
Capitated Claims	\$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

HMO Plan

HMO Total Expenses & Premiums - 2015

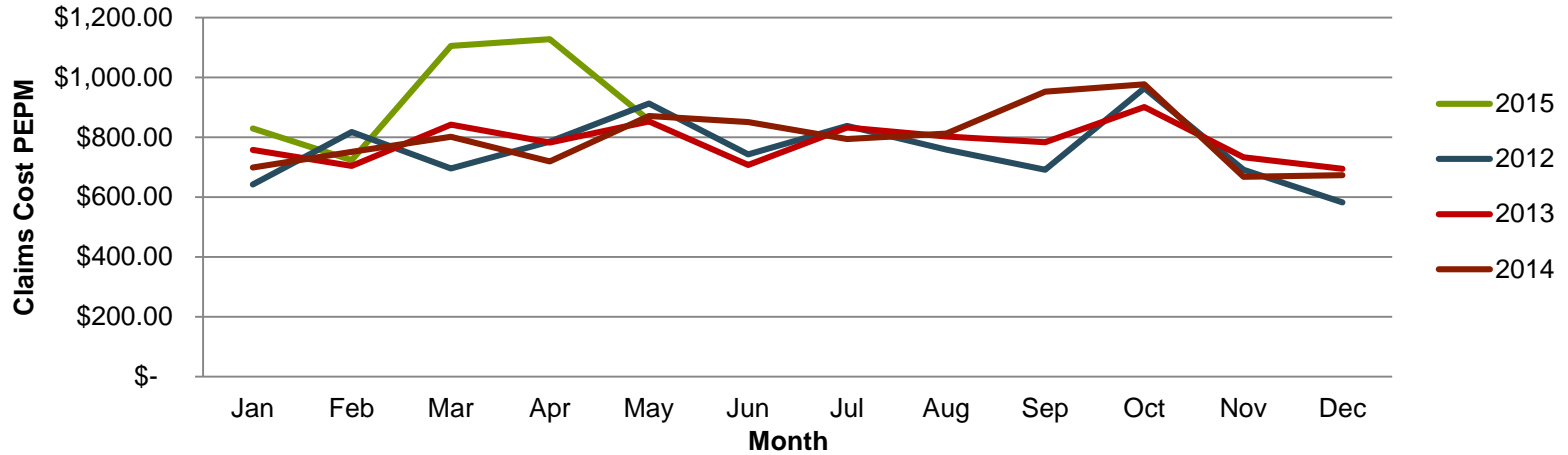


HMO Cumulative Premiums & Expenses -2015

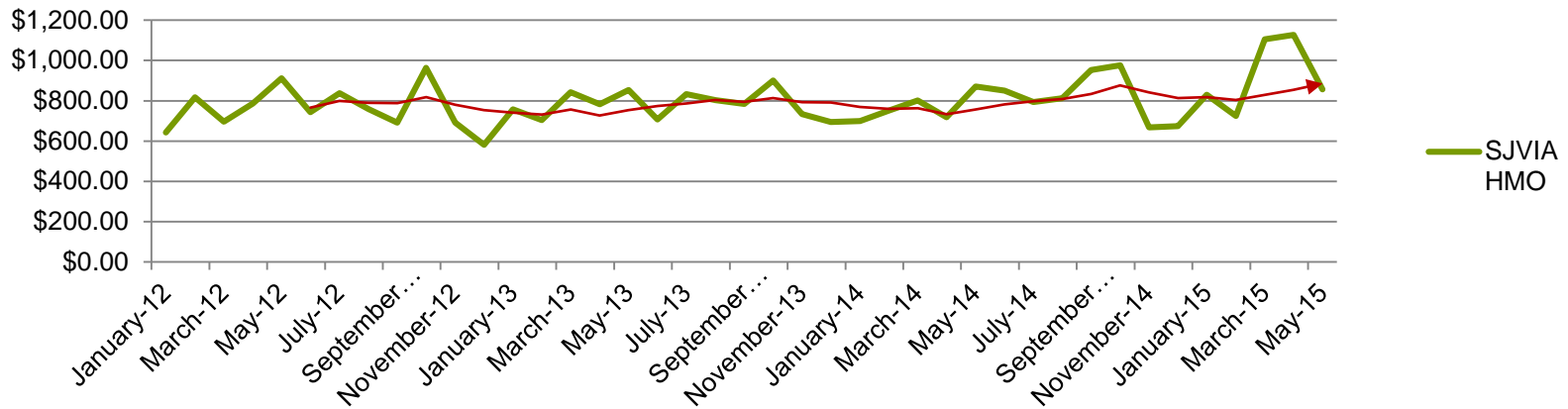


HMO Plan

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



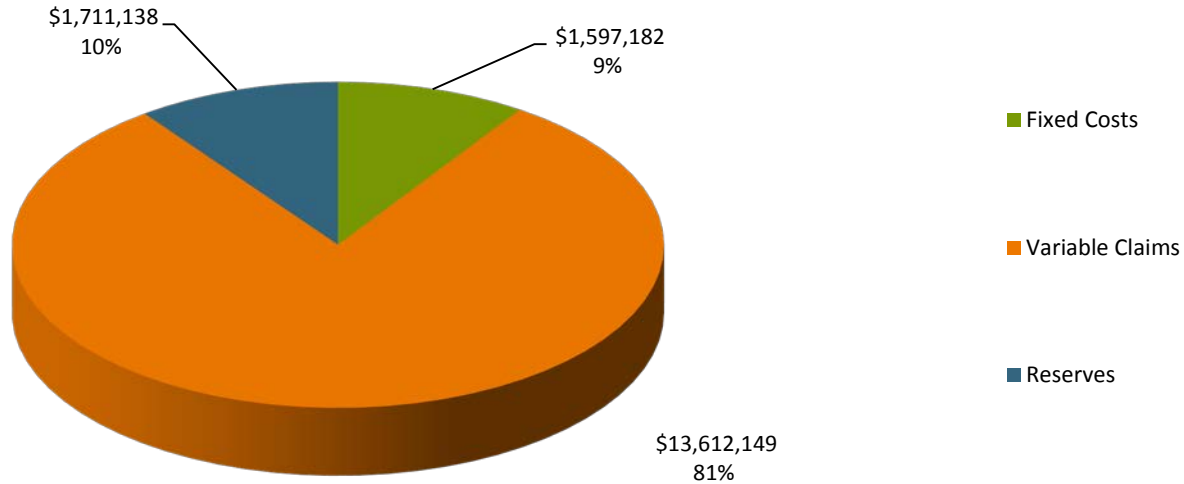
SJVIA HMO Claims PEPM



PPO PLANS

PPO Plans

YTD PPO Premium Breakdown - 2015

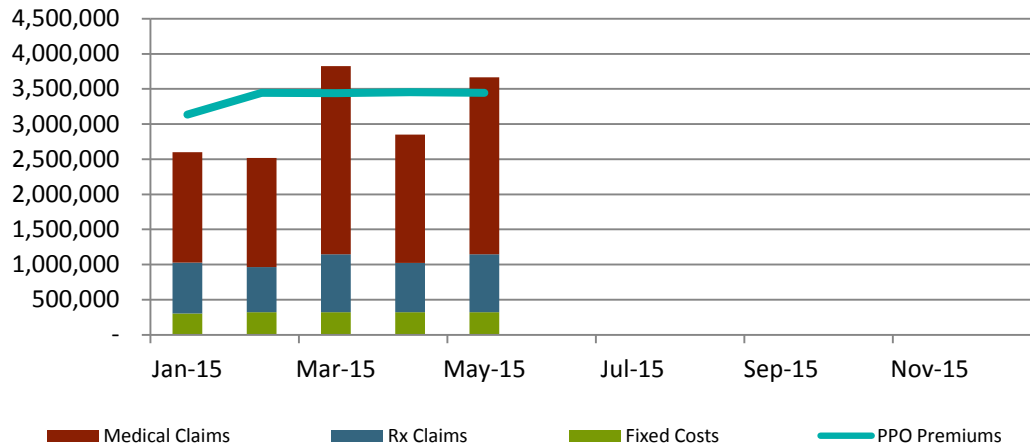


2015 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 303,482	\$ 324,090	\$ 322,882	\$ 323,738	\$ 322,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,597,182
Variable Claims	\$ 2,296,281	\$ 2,194,352	\$ 3,501,313	\$ 2,525,349	\$ 3,342,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,612,149
Reserves	\$ 535,958	\$ 927,288	\$ (383,498)	\$ 602,952	\$ (219,649)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,711,138
Total	\$ 3,135,721	\$ 3,445,729	\$ 3,440,697	\$ 3,452,039	\$ 3,446,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,920,469

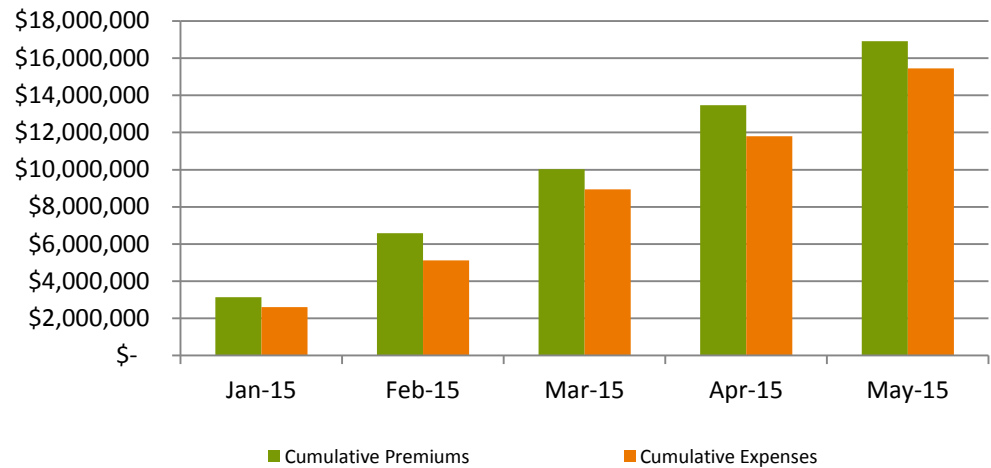
2014 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 250,608	\$ 252,655	\$ 253,820	\$ 256,183	\$ 253,686	\$ 255,664	\$ 256,235	\$ 254,065	\$ 253,999	\$ 252,585	\$ 254,438	\$ 252,452	\$ 3,046,389
Variable Claims	\$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

PPO Plans

PPO Total Expenses & Premiums - 2015

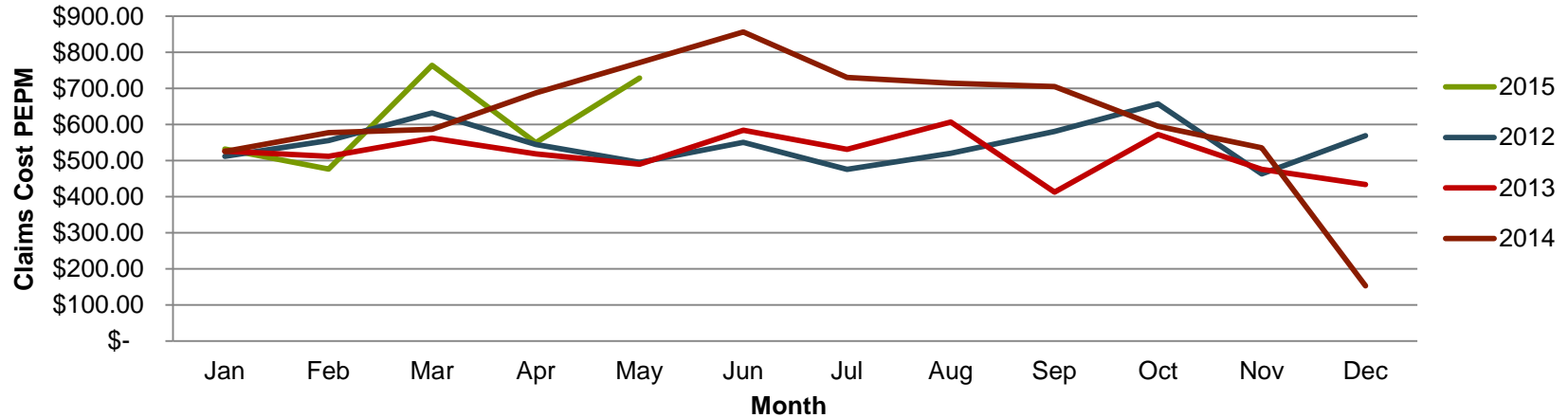


PPO Cumulative Premiums & Expenses - 2015

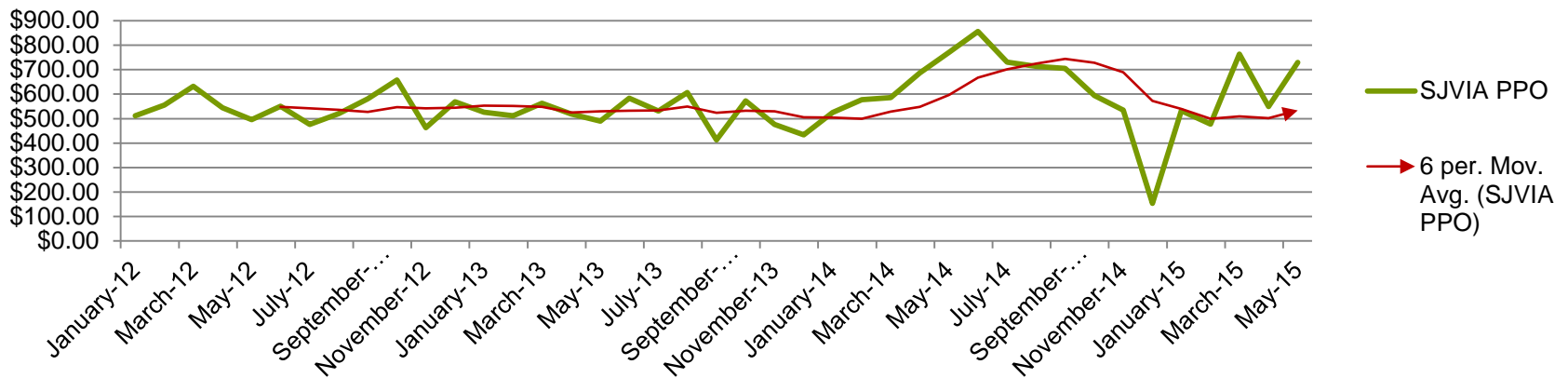


PPO Plans – PEPM

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



SJVIA PPO Claims PEPM





MONTHLY DATA

All Plans Combined


2015 SJVIA Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	5,503	5,689	5,662	5,668	5,639	0	0	0	0	0	0	0	28,161
- Employee + Spouse	1,128	1,159	1,140	1,140	1,126	0	0	0	0	0	0	0	5,693
- Employee + Child(ren)	1,517	1,534	1,525	1,524	1,540	0	0	0	0	0	0	0	7,640
- Employee + Family	1,382	1,427	1,430	1,430	1,441	0	0	0	0	0	0	0	7,110
SJVIA Total Enrollment	9,530	9,809	9,757	9,762	9,746	0	0	0	0	0	0	0	48,604
SJVIA Total Premiums	\$7,688,437	\$7,995,459	\$ 7,958,797	\$ 7,959,584	\$ 7,939,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$39,541,596
SJVIA Premiums PEPM	\$ 806.76	\$ 815.11	\$ 815.70	\$ 815.36	\$ 814.62								\$ 813.55
SJVIA Total Claims	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Medical Claims	\$3,574,537	\$2,931,495	\$ 5,856,417	\$ 4,972,160	\$ 4,506,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$21,840,885
- Rx Claims	\$1,607,003	\$1,595,377	\$ 1,934,881	\$ 1,951,319	\$ 1,834,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,923,225
- Rx Rebates													
- Stop-Loss Refunds													
- Capitated Claims (HMO)	\$1,439,877	\$1,437,668	\$ 1,428,007	\$ 1,426,074	\$ 1,424,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,156,320
SJVIA Total Claims	\$6,621,417	\$5,964,540	\$ 9,219,304	\$ 8,349,553	\$ 7,765,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$37,920,431
SJVIA Claims PEPM	\$ 694.80	\$ 608.07	\$ 944.89	\$ 855.31	\$ 796.80								\$ 780.19
SJVIA Fixed Costs	\$ 811,969	\$ 831,451	\$ 826,960	\$ 820,882	\$ 819,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,110,901
SJVIA Total Costs	\$7,433,387	\$6,795,991	\$10,046,264	\$ 9,170,435	\$ 8,585,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$42,031,332
SJVIA Cost PEPM	\$ 780.00	\$ 692.83	\$ 1,029.65	\$ 939.40	\$ 880.90								\$ 864.77
SJVIA Total Reserve - Increase/(Decrease)	\$ 255,051	\$1,199,468	\$(2,087,467)	\$(1,210,851)	\$(645,936)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$(2,489,736)
Reserve % of Non Cap. Claims	4.9%	26.5%	-26.8%	-17.5%	-10.2%								-8.1%

HMO Plan

2015 HMO Enrollment	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	2,391	2,373	2,365	2,366	2,349								11,844
- Employee + Spouse	667	662	650	648	643								3,270
- Employee + Child(ren)	1,338	1,355	1,340	1,340	1,352								6,725
- Employee + Family	820	818	818	812	817								4,085
HMO Total Enroll.	5,216	5,208	5,173	5,166	5,161	0	0	0	0	0	0	0	25,924
HMO Premiums	4,552,716	4,549,730	4,518,101	4,507,545	4,493,035								\$ 22,621,127
HMO Premiums PEPM	\$ 872.84	\$ 873.60	\$ 873.40	\$ 872.54	\$ 870.57								\$ 872.59
HMO Claims	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Medical Claims	2,002,411	1,378,009	3,177,783	3,146,480	1,985,872								\$ 11,690,555
- Rx Claims	882,849	954,511	1,112,202	1,251,650	1,012,108								\$ 5,213,319
- Rx Rebates													\$ -
- Capitated Claims	1,439,877	1,437,668	1,428,007	1,426,074	1,424,694								\$ 7,156,320
Pooling Reimbursements													\$ -
HMO Total Claims	\$ 4,325,136	\$ 3,770,188	\$ 5,717,991	\$ 5,824,204	\$ 4,422,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,060,194
HMO Claims PEPM	\$ 829.21	\$ 723.92	\$ 1,105.35	\$ 1,127.41	\$ 856.94								\$ 928.11
HMO Fixed Costs	508,488	507,361	504,078	497,144	496,649								\$ 2,513,719
HMO Total Costs	\$ 4,833,624	\$ 4,277,549	\$ 6,222,069	\$ 6,321,349	\$ 4,919,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,573,914
HMO Costs PEPM	\$ 926.69	\$ 821.34	\$ 1,202.80	\$ 1,223.64	\$ 953.17								\$ 1,025.07
HMO Plan Reserve - Increase/(Decrease)	\$ (280,908)	\$ 272,181	\$ (1,703,969)	\$ (1,813,803)	\$ (426,287)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,952,786)
Reserve % of Non Cap. Claims	-9.7%	11.7%	-39.7%	-41.2%	-14.2%								-23.4%

PPO Plans

2015 PPO Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	3,112	3,316	3,297	3,302	3,290								16,317
- Employee + Spouse	461	497	490	492	483								2,423
- Employee + Child(ren)	179	179	185	184	188								915
- Employee + Family	562	609	612	618	624								3,025
PPO Plans Total Enrollment	4,314	4,601	4,584	4,596	4,585	0	0	0	0	0	0	0	22,680
PPO Plans Total Premiums	3,135,721	3,445,729	3,440,697	3,452,039	3,446,283								\$ 16,920,469
PPO Premiums PEPM	\$ 726.87	\$ 748.91	\$ 750.59	\$ 751.10	\$ 751.64								\$ 746.05
PPO Plans Total Claims	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Medical Claims	1,572,126	1,553,486	2,678,634	1,825,680	2,520,404								\$ 10,150,330
- Rx Claims	724,155	640,866	822,679	699,669	822,537								\$ 3,709,906
- Rx Rebates													
- Stop-Loss Refunds													
PPO Plans Net Claims	\$ 2,296,281	\$ 2,194,352	\$ 3,501,313	\$ 2,525,349	\$ 3,342,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,860,236
PPO Plans Claims PEPM	\$ 532.29	\$ 476.93	\$ 763.81	\$ 549.47	\$ 729.10								\$ 611.12
PPO Plans Fixed Costs	303,482	324,090	322,882	323,738	322,991								\$ 1,597,182
PPO Plans Total Costs	\$ 2,599,763	\$ 2,518,442	\$ 3,824,195	\$ 2,849,087	\$ 3,665,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,457,418
PPO Plans Cost PEPM	\$ 602.63	\$ 547.37	\$ 834.25	\$ 619.91	\$ 799.55								\$ 681.54
PPO Plans Total Reserve - Increase/(Decrease)	\$ 535,958	\$ 927,288	\$ (383,498)	\$ 602,952	\$ (219,649)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,463,051
Reserve % of Net Claims	23.3%	42.3%	-11.0%	23.9%	-6.6%								10.6%



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.

Meeting Location:
**Fresno County Employees' Retirement
Association Board Chambers**
1111 H Street
Fresno, CA 93721
July 17, 2015 9:00 AM

AGENDA DATE: July 17, 2015

ITEM NUMBER: 10

SUBJECT: Report on Request for Proposals for Medical Administration (I)

REQUEST(S): That the Board receive and file the report on the request for proposal process for medical administration services commencing January 1, 2016

DESCRIPTION:

At the February 6, 2015 meeting, staff reported on RFP activity for the 2015 calendar year. As presented, a full request for proposal process and analysis was completed by the Gallagher Benefits team. The contract with the current vendor, Anthem Blue Cross, is in its sixth year of what was originally a three year contract. The RFP process is imperative to successfully reduce overall administration costs as well as to perform due diligence and review competitive markets. The process included, but was not limited to, the following parameters:

- Administration Services Only (ASO) and Third Party Administration (TPA) services for the self-funded PPO portion of the SJVIA group medical plan
- HMO Minimum Premium bids or alternate funding HMO options for the HMO portion of the SJVIA group medical plan
- Analysis of current and proposed billing, banking and reporting capabilities
- Analysis of current and proposed services, including:
 - Benefits Administration
 - Plan Design
 - Plan Sponsor e-Services
 - Account Management
 - Claims and Customer Service
 - Health Care Management: Utilization and Case Management
 - Telemedicine

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

- Network Access
- Claims Repricing and review of current and proposed network discounts for last 24 months of real claims data
- Evaluation of questionnaire responses

Gallagher began the process in April and requested proposals from eight vendors. Four of the vendors responded to the request by submitting a proposal while the remaining four declined as they were not able to provide a competitive bid. The table below summarizes the eight vendors and their responses:

<u>Vendor Name</u>	<u>Submitted Proposal</u>	<u>Declined to Bid</u>
Aetna ASO	X	
Anthem Blue Cross ASO	X	
Blue Shield		X
Cigna		X
HealthNet		X
HealthNow Administrative Services/Blue Shield	X	
Meritain Health/Aetna	X	
United Healthcare		X

The initial analysis of the responding vendors included a review of all of the proposed fixed costs including claims Administration Fees, network Access Fees, Pooling Fees and Capitation. These components were evaluated and compared to the current vendor. Variable claims costs were reviewed including in depth analysis of the claims repricing including Inpatient Facility, Outpatient Facility, and Professional Services for the past 24 months of actual SJVIA medical claims. Following a review with SJVIA staff, Gallagher requested best and final offers, allowing for further refinement and potential savings.

SJVIA staff has reviewed and considered all offers submitted and is recommending the SJVIA remain with Anthem Blue Cross. The proposed ASO rate submitted by Anthem represents a 7% decrease in the current core administration cost, along with improvement of included services such as a network discount performance guarantee and disease management. No other vendor proposal offered a compelling reason to switch vendors at this time. The new contract will be negotiated to commence January 1, 2016 for a three year term. The contract will be brought back to the SJVIA Board for final consideration and action.

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

FISCAL IMPACT/FINANCING:

None at this time.

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 17, 2015 9:00 AM**

AGENDA DATE: July 17, 2015

ITEM NUMBER: 11

SUBJECT: Report on Request for Proposals for Prescription Benefit Management (I)

REQUEST(S): That the Board receive and file the report on the request for proposal process for prescription benefit management services commencing January 1, 2016

DESCRIPTION:

At the February 6, 2015 meeting, staff reported on RFP activity for the 2015 calendar year. As presented, a full request for proposal process and analysis was completed by the Gallagher Benefits team. The contract with the current vendor, US Script, is in its third and final year. Typically, contracts for pharmacy benefit management (PBM) services are for a three year term and can be renewed annually thereafter. Given the rapidly changing landscape of the pharmacy industry, contracts must be analyzed and contrasted to current pricing in order to maintain cost competitiveness. There are numerous price points in a pharmacy contract and as a result, the RFP for vendor services is a very detailed and complicated process. The process included, but was not limited to, the following parameters:

- Review of bidding PBM's contract language
- Review of proposed financial terms to calculate the potential costs and/or savings projected over the current contract
- Evaluation of questionnaire responses
- Comparison of the unit cost and cost per day of highly utilized drugs in all networks
- Review of the Maximum Allowable Cost (MAC) list provided by each PBM

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

Gallagher’s pharmacy team began the process in March and requested proposals from nine entities, including the incumbent. Eight of the vendors responded to the request by submitting a proposal, while one declined due to scope of services and resources. The table below summarizes the nine vendors and their responses:

Vendor Name	Submitted Proposal	Declined to Bid
Anthem – Express Scripts	X	
CVS Caremark		X
Envision	X	
Express Scripts (ESI)	X	
Integrated Prescription Management	X	
MedImpact	X	
Navitus	X	
ProCare Rx	X	
US Script	X	

The initial analysis of the responding PBMs showed significant opportunity for improvement over the current contract terms with multiple vendors, including US Script. Following a review with SJVIA staff, Gallagher requested the top four bidders provide their best and final offers, allowing for further refinement and potential savings. All four offered more favorable contract pricing and the current vendor, US Script, improved their offer significantly.

SJVIA staff has reviewed and considered all offers submitted and is recommending the SJVIA remain with US Script. The contract will be negotiated to commence January 1, 2016 for a three year term, and will be brought back to the SJVIA Board at a future meeting for final consideration and action.

The analysis and application of the proposed contract’s financial terms resulted in a projected \$3.5 million cost avoidance over the next three years. This can be equated to a projected savings of 5.5% of prescription costs which will be considered as part of the renewal underwriting process.

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

FISCAL IMPACT/FINANCING:

None at this time.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager



BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
July 17, 2015 9:00 AM**

AGENDA DATE: July 17, 2015

ITEM NUMBER: 12

SUBJECT: Report on Wellness Program (I)

REQUEST(S): That the Board receive and file the report on wellness activities and overall program performance.

DESCRIPTION:

As approved by your Board, the SJVIA entered into an agreement with Viverae, Inc. to provide wellness, disease management, and coaching services to the SJVIA. The annual biometric screenings took place earlier this year in February, March, and April allowing SJVIA plan participants the opportunity to earn a \$50 incentive. To qualify for the incentive, members must have completed an online health assessment and the health screening either onsite or at a lab facility. A total of 1,456 members completed both the screening and the assessment and earned the \$50 incentive.

In early May, the SJVIA again sponsored the annual Walking Works Challenge. This activity was open to all member entities of the SJVIA and trophies were awarded for highest participation and highest average steps in multiple divisions. The entities were divided into groups with other similarly sized entities with the results as follows:

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

Group 1

County of Fresno	8634	25%
County of Tulare	8734	24%

Congratulations to the County of Fresno for achieving the highest participation percentage, and congratulations to the County of Tulare for achieving the highest number of average steps in Group 1!

Group 2

ENTITY	Avg. Steps	% Participation
City of Ceres	9124	57%
City of Clovis	6809	15%
City of Hanford	9898	31%
City of Modesto	12802	9%
City of Reedley	8268	58%
City of Sanger	6728	20%
City of Tulare	7587	46%
San Joaquin VAPCD	7934	48%

Congratulations to the City of Reedley for achieving the highest participation percentage, and congratulations to the City of Modesto for achieving the highest number of average steps in Group 2!

Group 3

City of Farmersville	7992	37%
City of Gustine	4495	33%
City of Hughson	0	0%
City of Oakdale	6484	79%
City of Riverbank	6850	39%
City of San Joaquin	14417	59%
City of Wasco	9751	51%
Kings Superior Court	4825	41%

Congratulations to the City of Oakdale for achieving the highest participation percentage, and congratulations to the City of San Joaquin for achieving the highest number of average steps in Group 3!

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AGENDA: San Joaquin Valley Insurance Authority

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Staff will provide additional information through a verbal report during the Board meeting regarding challenges and proposed strategies in the wellness program.

Other activities are planned for the remainder of the year including:

- 15 for Me – encourages members to take 15 minutes every day to relieve stress. This challenge is ongoing during the month of July.
- Weigh 2 Win – encourages healthy weight loss and will run during the fourth quarter.
- Onsite Mammograms – to be scheduled later this year

FISCAL IMPACT/FINANCING:

None at this time.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom



Paul Nerland



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 17, 2015 9:00 AM**

AGENDA DATE: July 17, 2015

ITEM NUMBER: 13

SUBJECT: Preliminary 2016 Health Plan Renewal (I)

REQUEST(S): That the Board receive and file the preliminary 2016 health plan renewal

DESCRIPTION:

For the fifth plan year renewal cycle, the SJVIA is using the Board approved shared risk underwriting methodology to calculate the 2016 plan year renewal. Under this underwriting arrangement, the SJVIA is reviewed as a unit for claims and reserves and then each agency/plan is also reviewed to determine how their agency specific experience relates to the overall SJVIA pool. The participating agency is then issued a renewal based on the experience of the SJVIA pool, adjusted according to their specific plan performance consistent with the Underwriting Guidelines. This approach provides rate smoothing and stability for all agencies and is employed by many joint power authorities.

As directed by the Board during the April 10, 2015 Board of Directors meeting, the SJVIA is also reviewing the cost structure for the various benefit levels and delivery systems. Gallagher Benefit Services (GBS) has reviewed the experience and population demographics of the HMO and PPO programs and may advise separate rating actions to align premiums with cost projections for each plan.

For the preliminary renewal projection, GBS has projected the overall SJVIA renewal for 2016 would require an increase between 9% and 13%. This initial renewal projection is based on claims data through May 2015 and current demographic information on all participating agencies. This preliminary renewal also contains anticipated rate renewal from the respective vendors for various plan components in addition to fees associated with the Affordable Care Act. These numbers will change, however, based on enrollment changes, savings projections for prescription RFP, and adjustments for June claims

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2015

Over the coming weeks, SJVIA management and staff will work with the Gallagher team, including underwriting management, to review all aspects of the self-insured medical plan. This review will include proposed fixed cost component increases, medical and pharmacy trend, historical plan performance, and reserve position. This review will be followed with strategic planning discussions to determine whether the plans need to be renewed at different rate actions and how this could impact plan participation and migration, participating entities, and future renewals.

The final rate recommendation will be completed using claims data updated through June 2015 and presented at the August 28, 2015 SJVIA Board of Directors meeting. The presentation at that time will have the 2016 percentage increase for the overall SJVIA, as well as the specific rate increases for each plan and member agency, all developed using the approved shared risk underwriting methodology. Additionally, the recommendation will consider the SJVIA's reserve position for Incurred but Not Reported (IBNR) liability and consider the impact of alternatives.

In addition to the renewal of the self-insured health plan, staff has been notified that other plans, including Kaiser HMO and the dental program with Delta Dental, are running very well and all indications point to favorable renewals. The VSP vision contract is in the first year of two year rate guarantee and will not have any rate action for 2016.

FISCAL IMPACT/FINANCING:

None at this time.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

2016 Preliminary Renewal



SJVIA

San Joaquin Valley
Insurance Authority

Plan Year: January 1, 2016 - December 31, 2016

Presented By:

Gallagher Benefit Services

CA License #: 0D36879

July 17, 2015

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.

San Joaquin Valley Insurance Authority

Paid Claims History - All PPO Plans

2013 Plan Year

Average per Employee (Enrollment lagged 2 months)	44,666	\$391.87	\$141.06	\$532.94
Percentage Change from Prior Year		-3.28%	-9.59%	-5.03%

2014 Plan Year

Month-Year	Enrollment					Paid Claims		
	EE	ES	EC	EF	Total EE's	Medical	Rx	Combined
Jan-14	2,940	419	144	403	3,906	1,480,472	571,763	2,052,235
Feb-14	2,921	428	160	429	3,938	1,668,736	605,630	2,274,366
Mar-14	2,960	422	157	417	3,956	1,644,388	675,050	2,319,438
Apr-14	2,976	429	164	424	3,993	2,073,142	671,780	2,744,922
May-14	2,953	419	162	420	3,954	2,484,196	565,164	3,049,359
Jun-14	2,985	419	164	417	3,985	2,726,546	685,147	3,411,693
Jul-14	2,994	418	164	418	3,994	2,220,215	697,899	2,918,114
Aug-14	2,963	415	167	415	3,960	2,128,869	699,228	2,828,097
Sep-14	2,975	405	164	415	3,959	2,097,173	695,460	2,792,633
Oct-14	2,965	392	162	417	3,936	1,661,621	680,007	2,341,628
Nov-14	2,999	390	160	419	3,968	1,535,711	587,282	2,122,994
Dec-14	<u>2,955</u>	<u>397</u>	<u>169</u>	<u>419</u>	<u>3,940</u>	<u>1,674,435</u>	<u>695,293</u>	<u>2,369,727</u>
Sub Total	35,586	4,953	1,937	5,013	47,489	23,395,504	7,829,703	31,225,207
Rolling 12 month Stop Loss Reimbursement						<u>1,545,548</u>	<u>471,619</u>	<u>2,017,167</u>
Totals						\$21,849,956	\$7,358,084	\$29,208,040
Average per Employee (Enrollment lagged 2 months)					47,094	\$463.96	\$156.24	\$620.21
Percentage Change from Prior Year						18.40%	10.76%	16.38%

2015 Plan Year

Month-Year	Enrollment					Paid Claims		
	EE	ES	EC	EF	Total EE's	Medical	Rx	Combined
Jan-15	3,112	461	179	562	4,314	1,572,126	724,006	2,296,132
Feb-15	3,316	497	179	609	4,601	1,553,486	640,866	2,194,352
Mar-15	3,297	490	185	612	4,584	2,678,634	822,679	3,501,313
Apr-15	3,302	492	184	618	4,596	1,825,680	699,669	2,525,349
May-15	<u>3,290</u>	<u>483</u>	<u>188</u>	<u>624</u>	<u>4,585</u>	<u>2,325,635</u>	<u>699,976</u>	<u>3,025,611</u>
Sub Total	16,317	2,423	915	3,025	22,680	9,955,561	3,587,196	13,542,757
Rolling 12 month Stop Loss Reimbursement						<u>440,946</u>	<u>489,150</u>	<u>930,096</u>
Totals						\$9,514,615	\$3,098,046	\$12,612,661
Average per Employee (Enrollment lagged 2 months)					21,407	\$444.46	\$144.72	\$589.18
Percentage Change from Prior Year						-4.20%	-7.37%	-5.00%
Rolling 12 Month Totals (Enrollment lagged 2 months)					49,188	\$24,000,130	\$8,327,512	\$32,327,643
Average per Employee (Enrollment lagged 2 months)						\$478.96	\$159.36	\$638.32
Percentage Change from Prior Year						3.23%	1.99%	2.92%

San Joaquin Valley Insurance Authority
2016 Claims Projection - PPO Plans

Paid Claims Period: June 2014 through May 2015

	Medical	Rx	Total
Total Paid Claims	\$ 24,000,130	\$ 8,327,512	\$ 32,327,643
Claims in Excess of Pooling	<u>\$ 440,946</u>	<u>\$ 489,150</u>	<u>\$ 930,096</u>
Total Paid Claims Net of Pooling	\$ 23,559,184	\$ 7,838,362	\$ 33,257,739
Enrollment lagged 2 months	\$ 49,188	\$ 49,188	
Average Paid Claim for Period	\$ 478.96	\$ 159.36	\$ 638.32
Trend (Med.- 7.00%, Rx - 4.5%)	1.1131	1.0722	1.1029
Projected Paid Claim	\$ 533.12	\$ 170.86	\$ 703.98
Current Monthly Enrollment (April 2015)	\$ 4,596	\$ 4,596	
Monthly Projected Paid Claims	\$ 2,450,222	\$ 785,260	\$ 3,235,482
2016 Annual Projected Paid Claims	\$ 29,402,663	\$ 9,423,124	\$ 38,825,787
Projected Required Reserve (16%Med/5% Rx)	\$ 4,704,426	\$ 471,156	\$ 5,175,582
Current Reserve*			\$ 11,443,398
Contingent Reserve			\$ 6,267,815
<i>*Calculated from May 2015 Claims Data - represents all premiums paid from inception less all costs from inception</i>			

SJVIA 2016 PPO Cost Worksheet

<u>Enrollment</u>	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>	<u>Total</u>
Total PPO - April 2015	3,302	492	184	618	4,596
				Total Members	5,675
				Total Non Founding Members	1,370
<u>2015 Fixed Costs (Budget based on 1.17% increase in 2015):</u>					
	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>	<u>Totals</u>
PPO - Specific Stop Loss (HM Life \$450,000 ded. 12/15)	\$ 14.86	\$ 14.86	\$ 14.86	\$ 14.86	\$ 819,559
PPO - Aggregate Stop Loss (HM Life 12/15)	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 50,188
PPO - Blue Cross Core Administration	\$ 28.39	\$ 28.39	\$ 28.39	\$ 28.39	\$ 1,565,765
Viverae	\$ 6.80	\$ 6.80	\$ 6.80	\$ 6.80	\$ 375,034
Communication	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 27,576
JPA Consulting	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 206,820
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 110,304
SJVIA Non Founding Member Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 110,304
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 286,790
PCORI Fee	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 13,236
Transitional Reinsurance Fee	\$ 5.16	\$ 5.16	\$ 5.16	\$ 5.16	\$ 249,700
Total Fixed Cost	\$ 69.81	\$ 69.81	\$ 69.81	\$ 69.81	\$ 3,815,277
<u>2015 Claims Costs:</u>					
PPO - Medical Claims	\$ 478.96	\$ 478.96	\$ 478.96	\$ 478.96	\$ 26,415,714
PPO - Rx Claims	\$ 159.36	\$ 159.36	\$ 159.36	\$ 159.36	\$ 8,788,757
Total Claims	\$ 638.32	\$ 638.32	\$ 638.32	\$ 638.32	\$ 35,204,470
Total Budget Costs	\$ 708.13	\$ 708.13	\$ 708.13	\$ 708.13	
Aggregate Attachment Factors	\$ 803.33	\$ 803.33	\$ 803.33	\$ 803.33	\$ 44,305,256
Projected Total PPO Cost					\$ 39,019,747
Current PPO Plan Rates/Funding					\$ 41,424,465

<u>2016 Fixed Costs: (Projected)</u>	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>	<u>Totals</u>	<u>Increase</u>
PPO - Specific Stop Loss (HM Life \$450,000 ded. 12/15)	\$ 16.35	\$ 16.35	\$ 16.35	\$ 16.35	\$ 901,515	10%
PPO - Aggregate Stop Loss (HM Life 12/15)	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 55,207	10%
PPO - Blue Cross Core Administration	\$ 26.80	\$ 26.80	\$ 26.80	\$ 26.80	\$ 1,369,051	-6%
Viverae	\$ 6.80	\$ 6.80	\$ 6.80	\$ 6.80	\$ 347,371	0%
PPO - Blue Shield / HNAS Administration	\$ 34.11	\$ 34.11	\$ 34.11	\$ 34.11	\$ 136,713	
Communication	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 27,576	0%
JPA Consulting	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 206,820	0%
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 110,304	0%
SJVIA Non Founding Member Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 32,880	0%
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 317,124	11%
PCORI Fee	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 11,350	-14%
Transitional Reinsurance Fee	\$ 3.40	\$ 3.40	\$ 3.40	\$ 3.40	\$ 187,275	-34%
Total Fixed Cost Anthem Blue Cross	\$ 66.55	\$ 66.55	\$ 66.55	\$ 66.55	\$ 3,703,186	-2.9%
Total Fixed Cost BSC/HNAS	\$ 67.06	\$ 67.06	\$ 67.06	\$ 67.06		
Total PPO Fixed Costs					\$ 3,703,186	
<u>2016 Claims Costs: (Projected)</u>						
PPO - Projected Claims	\$ 533.12	\$ 533.12	\$ 533.12	\$ 533.12	\$ 29,402,663	11.3%
PPO - Projected Rx Claims	\$ 170.86	\$ 170.86	\$ 170.86	\$ 170.86	\$ 9,423,124	7.2%
Total Claims	\$ 703.98	\$ 703.98	\$ 703.98	\$ 703.98	\$ 38,825,787	10.3%
Aggregate Attachment Factors	\$ 803.33	\$ 803.33	\$ 803.33	\$ 803.33	\$ 44,305,256	0%
Projected Total PPO Cost					\$ 42,528,973	
Current PPO Plan Rates/Funding					\$ 41,424,465	
Rate Action						2.67%

Paid Claims History - All HMO Plans

2013 Plan Year

Totals	60,625	\$15,705,371	\$23,153,816	\$7,817,880	\$46,677,066
Average per Employee (Enrollment lagged 2 months)	59,690	\$259.06	\$387.90	\$130.97	\$781.99
Percentage Change from Prior Year			9.04%	0.87%	6.92%

2014 Plan Year

Month-Year	Enrollment				Total EE's	Non Capitated Paid Claims			
	EE	ES	EC	EF		Capitation	Medical	Rx	Combined
Jan-14	2,402	640	1,435	739	5,216	1,410,719	1,453,807	782,651	3,647,177
Feb-14	2,406	638	1,434	742	5,220	1,411,801	1,730,576	783,486	3,925,863
Mar-14	2,426	648	1,452	740	5,266	1,424,242	1,861,256	936,204	4,221,702
Apr-14	2,447	642	1,452	727	5,268	1,424,783	1,594,156	764,169	3,783,109
May-14	2,459	627	1,432	726	5,244	1,418,292	2,289,930	860,911	4,569,133
Jun-14	2,471	627	1,433	727	5,258	1,422,079	2,217,380	840,840	4,480,299
Jul-14	2,484	621	1,441	726	5,272	1,425,865	1,841,435	918,746	4,186,046
Aug-14	2,472	629	1,438	730	5,269	1,425,054	1,995,472	861,082	4,281,608
Sep-14	2,468	617	1,429	723	5,237	1,416,399	2,669,075	905,176	4,990,650
Oct-14	2,480	613	1,436	723	5,252	1,420,456	2,915,330	794,540	5,130,326
Nov-14	2,493	605	1,441	729	5,268	1,424,783	1,288,159	804,591	3,517,534
Dec-14	<u>2,492</u>	<u>600</u>	<u>1,438</u>	<u>730</u>	<u>5,260</u>	<u>1,422,620</u>	<u>2,765,494</u>	<u>835,600</u>	<u>5,023,713</u>
Sub Total	17,095	4,443	10,079	5,127	63,030	17,047,094	24,622,070	10,087,996	51,757,159
Large Claim Credit (Pooling Limit @ \$400K)							619,029	576,423	1,195,452
Totals					63,030	\$17,047,094	\$24,003,041	\$9,511,573	\$50,561,708
Average per Employee (Enrollment lagged 2 months)					62,682	\$271.96	\$382.93	\$151.74	\$806.64
Percentage Change from Prior Year							-1.28%	15.86%	3.15%

2015 Plan Year

Month-Year	Enrollment				Total EE's	Non Capitated Paid Claims			
	EE	ES	EC	EF		Capitation	Medical	Rx	Combined
Jan-15	2,391	667	1,338	820	5,216	1,439,877	2,002,351	882,849	4,325,076
Feb-15	2,373	662	1,355	818	5,208	1,437,668	1,374,758	952,622	3,765,048
Mar-15	2,365	650	1,340	818	5,173	1,430,215	3,177,783	1,112,202	5,720,200
Apr-15	2,366	648	1,340	812	5,166	1,428,835	3,146,480	1,251,650	5,826,965
May-15	<u>2,349</u>	<u>643</u>	<u>1,352</u>	<u>817</u>	<u>5,161</u>	<u>1,418,325</u>	<u>1,988,944</u>	<u>1,013,942</u>	<u>4,421,211</u>
Sub Total	11,844	3,270	6,725	4,085	25,924	7,154,920	11,690,316	5,213,264	24,058,500
Rolling 12 month Large Claim Credit (Pooling Limit @ \$400K)							\$ 687,351	483,563	1,170,914
Totals					25,924	\$7,154,920	\$11,002,965	\$4,729,701	\$22,887,585
Average per Employee (Enrollment lagged 2 months)					26,125	\$273.87	\$421.17	\$181.04	\$876.08
Percentage Change from Prior Year							9.98%	19.31%	8.61%
Rolling 12 Month Totals (Enrollment lagged 2 months)					62,925	17,112,175	27,382,661	11,173,839	55,668,675
Average per Employee (Enrollment lagged 2 months)						\$271.95	\$424.24	\$169.89	\$866.07
Percentage Change from Prior Year							10.79%	11.96%	7.37%

San Joaquin Valley Insurance Authority

2016 Claims Projection - HMO Plan

Paid Claims Period: June 2014 through May 2015

	<u>Non Capitated</u>	<u>Capitation</u>	<u>Rx</u>	<u>Total</u>
Total Paid Claims	\$ 27,382,661	\$ 17,112,175	\$ 11,173,839	\$ 55,668,675
Claims in Excess of Pooling	<u>\$ 687,351</u>	<u>483,563</u>	<u>597,850</u>	<u>1,768,764</u>
Total Paid Claims Net of Pooling	\$ 26,695,310	\$ 16,628,612	\$ 10,575,989	\$ 53,899,911
Enrollment lagged 2 months	62,925	62,925	62,925	62,925
Average Paid Claim for Period (Non-Cap)	\$ 424.24	\$ 299.50	\$ 168.07	\$ 891.81
Trend (Med.- 7.0,Cap - 5%, Rx -4.5)	<u>1.1131</u>	<u>0.9217</u>	<u>1.0722</u>	1.0411
Projected Paid Claim	\$ 472.21	\$ 276.05	\$ 180.20	\$ 928.47
Current Monthly Enrollment (May 2014)	5,166	5,166	5,166	
Monthly Projected Paid Claims	2,439,442	1,426,074	930,936	4,796,452
2015 Annual Projected Paid Claims	\$ 29,273,302	\$ 17,112,892	\$ 11,171,227	\$ 57,557,420
Projected Required Reserve (16% Medical/5% Rx)	\$4,683,728	N/A	\$558,561	\$5,242,290
Current Reserve*				-\$1,615,003
Reserves Held by Anthem Blue Cross				\$1,065,596
Actual Reserves				-\$549,407
<i>*Calculated from May 2015 Claims Data - represents all premiums paid from inception less all costs from inception</i>				

SJVIA 2016 HMO Cost Worksheet

Enrollment	Single		EE +Sp		EE + Ch		Family		Total
Total HMO - April 2015	2,366		648		1,340		812		5,166
									9,870
									632
									Total Nonfounding Members
2015 Fixed Costs (Budget based on 1.17% increase in 2015):	<u>Single</u>		<u>EE +Sp</u>		<u>EE + Ch</u>		<u>Family</u>		<u>Totals</u>
HMO - Pooling (\$400,000)	\$ 26.91	\$ 26.91	\$ 26.91	\$ 26.91	\$ 26.91	\$ 26.91	\$ 26.91	\$ 1,668,205	
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 37.30	\$ 37.30	\$ 37.30	\$ 37.30	\$ 37.30	\$ 37.30	\$ 37.30	\$ 2,312,302	
ACA Reinsurance	\$ 8.29	\$ 8.29	\$ 8.29	\$ 8.29	\$ 8.29	\$ 8.29	\$ 8.29	\$ 513,914	
Claims Management/Communication	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 185,976	
JPA Consulting	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 232,470	
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 123,984	
SJVIA Non Founding Member Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 15,168	
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 322,358	
Total Fixed Cost	\$ 88.45	\$ 88.45	\$ 88.45	\$ 88.45	\$ 88.45	\$ 88.45	\$ 88.45	\$ 5,374,376	
2015 Claims Costs:									
HMO - Capitation	\$ 276.05	\$ 276.05	\$ 276.05	\$ 276.05	\$ 276.05	\$ 276.05	\$ 276.05	\$ 17,112,892	
HMO - Medical Claims	\$ 360.47	\$ 360.47	\$ 360.47	\$ 360.47	\$ 360.47	\$ 360.47	\$ 360.47	\$ 22,346,256	
HMO - Rx Claims	\$ 140.86	\$ 140.86	\$ 140.86	\$ 140.86	\$ 140.86	\$ 140.86	\$ 140.86	\$ 8,732,193	
Total Claims	\$ 777.38	\$ 777.38	\$ 777.38	\$ 777.38	\$ 777.38	\$ 777.38	\$ 777.38	\$ 48,191,341	
Aggregate Factors	\$ 509.37	\$ 509.37	\$ 509.37	\$ 509.37	\$ 509.37	\$ 509.37	\$ 509.37	\$ 31,576,865	
Projected Total HMO Cost								\$ 53,565,717	

2016 Fixed Costs: (Projected)	Single		EE +Sp		EE + Ch		Family		Totals	Increase
HMO - Pooling (\$400,000)	\$ 28.43	\$ 28.43	\$ 28.43	\$ 28.43	\$ 28.43	\$ 28.43	\$ 28.43	\$ 1,762,433	6%	
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 40.96	\$ 40.96	\$ 40.96	\$ 40.96	\$ 40.96	\$ 40.96	\$ 40.96	\$ 2,539,192	10%	
ACA Reinsurance/PCORI	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.25	\$ 8.29	\$ 8.29	\$ 325,710	-37%	
Claims Management/Communication	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 185,976	0%	
JPA Consulting	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 232,470	0%	
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 123,984	0%	
SJVIA Non Founding Member Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 15,168	0%	
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 322,358	0%	
Total Fixed Cost	\$ 90.59	\$ 90.59	\$ 90.59	\$ 90.59	\$ 90.59	\$ 93.63	\$ 93.63	\$ 5,507,291	2%	
2016 Claims Costs: (Projected)										
HMO - Capitation	\$ 292.45	\$ 292.45	\$ 292.45	\$ 292.45	\$ 292.45	\$ 292.45	\$ 292.45	\$ 18,129,560	6%	
HMO - Projected Medical Claims	\$ 472.21	\$ 472.21	\$ 472.21	\$ 472.21	\$ 472.21	\$ 472.21	\$ 472.21	\$ 29,273,302	31%	
HMO - Projected Rx Claims	\$ 180.20	\$ 180.20	\$ 180.20	\$ 180.20	\$ 180.20	\$ 180.20	\$ 180.20	\$ 11,171,227	28%	
Total Claims	\$ 944.87	\$ 944.87	\$ 944.87	\$ 944.87	\$ 944.87	\$ 944.87	\$ 944.87	\$ 58,574,089	22%	
Aggregate Factors	\$ 548.65	\$ 548.65	\$ 548.65	\$ 548.65	\$ 548.65	\$ 548.65	\$ 548.65	\$ 34,011,911		
Projected Total HMO Cost								\$ 64,081,380		
Current HMO Plan Funding								\$ 54,174,283		
Rate Action									18.29%	

San Joaquin Valley Insurance Authority 2016 Renewal Summary

Cost Recap

	PPO	HMO	SJVIA Total
2015 Premium Funding	\$41,424,465	\$54,174,283	\$95,598,747
2016 Projected Costs	\$42,528,973	\$64,081,380	\$106,610,353
Change	2.67%	18.29%	11.52%

Reserve Recap - All Plans

	Medical	Rx	Total
Projected Required Reserve (16% Medical/5% Rx)	\$9,388,154	\$1,029,718	\$10,417,872
Current Reserve*			\$10,893,991
Contingent Reserve			\$476,119
<i>*Calculated from May 2015 Claims Data - represents all premiums paid from inception less all costs from inception. This total also includes HMO reserves held by Anthem which are not available for any offset to rate increase.</i>			