

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED REVENUES & EXPENSES
FOR PERIOD ENDED JUNE 30, 2011

	<u>ACTUALS</u>	<u>BUDGET</u>	<u>(OVER) / UNDER BGT</u>	<u>% VARIANCE</u>
REVENUE				
County of Fresno & County of Tulare Health Plan Revenue	\$57,542,103	\$66,371,807 *	\$8,829,704	13%
COT (Anthem Medical, Rx, Vendor Services)				
COF (Anthem Medical, Vendor Services)				
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EXPENSES: Fixed				
1 Specific & Aggregate Stop Loss Insurance (PPO)	416,757	458,559	41,802	9%
2 Anthem ASO Administration & Network Fees (PPO)	1,042,530	1,116,602	74,072	7%
3 Chimenti Associates/Hourglass Administration	716,777	787,332	70,555	9%
5 GBS Consulting	392,490	429,936	37,446	9%
6 SJVIA Association Fee	131,062	214,968	83,906	39%
7 Claims Management	10,000	268,710	258,710	96%
8 Communications	0	53,742	53,742	100%
9 Anthem HMO Pooling	1,768,140	1,599,394	(168,746)	(11%)
10 Anthem HMO Administration/Retention	2,210,841	1,987,464	(223,377)	(11%)
11 Blue View Vision (County of Tulare only)	136,082	168,236	32,154	19%
TOTAL FIXED EXPENSES	<u>6,824,679</u>	<u>7,084,943</u>	<u>260,264</u>	<u>4%</u>
EXPENSES: Claims				
11 Projected Paid Claims PPO & Non-Cap HMO	33,959,026	39,021,608	5,062,582	13%
12 Anthem MMP HMO Capitation	16,173,464	14,322,012	(1,851,452)	(13%)
TOTAL CLAIMS EXPENSES	<u>50,132,490</u>	<u>53,343,620</u>	<u>3,211,130</u>	<u>6%</u>
TOTAL EXPENSES	<u>56,957,169</u>	<u>60,428,563</u>	<u>3,471,394</u>	<u>6%</u>
13 Reserve Surplus	584,934	5,943,244 *	5,358,310	90%
COMBINED EXPENSES & RESERVES	<u>\$57,542,103</u>	<u>\$66,371,807</u>	<u>\$8,829,704</u>	<u>13%</u>

*The amounts budgeted in the Revenue / Reserve Surplus includes IBNR amounts which are not transferred to the SJVIA as the current structure of the SJVIA is not a shared risk model. The IBNR is currently included on each County's books as reserve amounts.

Glossary of Terms:

1 Specific & Aggregate Stop Loss Insurance (PPO)

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

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

2 Anthem ASO Administration & Network Fees (PPO):

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

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

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

4 Chimienti Associates/Hourglass Administration (Kaiser HMO)

This is for the same service as item #3 but for Kaiser business only.

5 GBS Consulting

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

6 SJVIA Association Fee

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

7 Claims Management

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

8 Communications

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

9 Anthem HMO Pooling

This is for the specific stop loss pooling insurance for claims in excess of \$250k within the HMO (not PPO).

10 Anthem HMO Administration/Retention

Anthem Blue Cross plan administration fee and network access fee for the HMO plan

11 First Year Projected Paid Claims PPO & Non-Cap HMO

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

12 Anthem MMP HMO Capitation

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

13 Forecasted Reserve Surplus For IBNR

Reserves held in the self insured plan for purposes such as "incurred but not reported claims" (IBNR) following termination of the self insured plan, contingency and margin reserves.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

Analysis of Administration, Claims, and Communications (Fees) - Revenues & Expenses as of June 30, 2011

SJVIA FEES			
	Administration	Claims Mitigation	Communications
<u>FY09-10</u>			
Revenues:	111,408.68	139,260.86	27,852.18
Expenses:			
Bank Service Fees	3,149.35		
Total Expenses	3,149.35	0.00	0.00
FY 09-10 Ending Balance:	108,259.33	139,260.86	27,852.18
<u>FY10-11</u>			
Beginning Balance:	108,259.33	139,260.86	27,852.18
Revenues:	177,314.58	221,643.14	44,328.65
Expenses:			
Auditor-Treasurer Services	63,600.38		
COF-County Counsel Services	4,892.90		
COT-County Counsel Services	3,118.80		
COF-Personnel Services	0.00		
COT-Personnel Services	0.00		
Membership Fees - CHCC		10,000.00	
Insurance (Liability, Bond, Etc)	35,961.81		
Price Page & Co - FY09-10 Audit	8,180.00		
Bank Service Fees	15,308.21		
Total Expenses	131,062.10	10,000.00	0.00
FY 10-11 Ending Balance:	154,511.81	350,904.00	72,180.83

