

# San Joaquin Valley Insurance Authority

## BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93921  
January 20, 2012  
9:00 AM

**AGENDA DATE:** January 20, 2012

**ITEM NUMBER:** 9

**SUBJECT:** Quarterly SJVIA Financial Update

**REQUEST(S):** That the Board receives the Financial Update through 1st Quarter, 2011-12

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

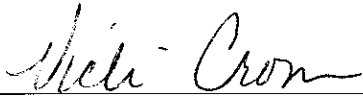
**FISCAL IMPACT/FINANCING:**

None.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** January 20, 2012

**ADMINISTRATIVE SIGN-OFF:**



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Vicki Crow  
SJVIA Auditor-Treasurer

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**ACTUALS VS. BUDGETED REVENUES & EXPENSES**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011**

	Year-To-Date		(OVER) / UNDER BGT	%
	ACTUALS	BUDGET		
<b>REVENUE</b>				
County of Fresno & County of Tulare Health Plan Revenue	\$16,075,374	\$16,592,952 *	\$517,578	3%
COT (Anthem Medical, Rx, Vendor Services)				
COF (Anthem Medical, Vendor Services)				
<b>EXPENSES: Fixed</b>				
1 Specific & Aggregate Stop Loss Insurance (PPO)	96,692	114,640	17,948	18%
2 Anthem ASO Administration & Network Fees (PPO)	257,795	279,150	21,355	8%
3 Chirenti Associates/Hourglass Administration	182,315	196,833	14,518	7%
4 GBS Consulting	94,371	107,484	13,113	12%
5 SJVIA Association Fee	46,944	53,742	6,798	13%
6 Claims Management		67,178	67,178	100%
7 Communications		13,436	13,436	100%
8 Anthem HMO Pooling	382,570	399,848	17,278	4%
9 Anthem HMO Administration/Retention	465,478	496,866	31,388	6%
10 Blue View Vision (County of Tulare only)	35,173	42,059	6,886	16%
<b>TOTAL FIXED EXPENSES</b>	<b>1,561,338</b>	<b>1,771,236</b>	<b>209,898</b>	<b>12%</b>
<b>EXPENSES: Claims</b>				
11 Projected Paid Claims PPO & Non-Cap HMO	11,265,713	9,755,402	(1,510,311)	(15%)
12 Anthem MMP HMO Capitation	3,244,386	3,580,503	336,117	9%
<b>TOTAL CLAIMS EXPENSES</b>	<b>14,510,099</b>	<b>13,335,905</b>	<b>(1,174,194)</b>	<b>(9%)</b>
<b>TOTAL EXPENSES</b>	<b>16,071,437</b>	<b>15,107,141</b>	<b>(964,296)</b>	<b>(6%)</b>
13 Reserve Surplus	3,937	1,485,811 *	1,481,874	100%
<b>COMBINED EXPENSES &amp; RESERVES</b>	<b>\$16,075,374</b>	<b>\$16,592,952</b>	<b>\$517,578</b>	<b>3%</b>

\*The amounts budgeted in the Revenue / Reserve Surplus include 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.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**ANALYSIS OF ADMINISTRATION, CLAIMS & COMMUNICATIONS (FEES) - REVENUES & EXPENSES**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011**

Year-To-Date

	SJVIA FEES		
	Administration	Claims Mitigation	Communications
<b>FY11-12</b>			
<b>Beginning Balance:</b>	\$154,512	\$350,904	\$72,181
<b>Revenues:</b>	55,301	71,129	14,226
<b>Expenses:</b>			
Auditor-Treasurer Services	26,989		
County Counsel Services	3,119		
Personnel Services			
Membership Fees			
Insurance (Liability, Bond, Etc)	15,000		
Audit Fees	1,836		
Bank Service Fees			
Total Expenses	46,944		
<b>FY 10-11 Ending Balance:</b>	<b>\$162,870</b>	<b>\$422,033</b>	<b>\$86,407</b>

## Glossary of Terms:

- 1 Specific & Aggregate Stop Loss Insurance (PPO)**  
Specific: Insurance coverage for eligible individual specific claims in excess of the \$450,000 plan year deductible up to the lifetime maximum of \$6 million  
Aggregate: Insurance coverage for eligible claims under the specific deductible on the aggregated amount for all member claims
- 2 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 S/VIA 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 S.VIA.
- 6 S.VIA Association Fee**  
The association fee will be used by S.VIA 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.