

# SJVIA 2012 - 2013 FISCAL BUDGET

	County of Fresno 2012-13 Budget	County of Tulare 2012-13 Budget	City of Tulare 2012-13 Budget	SJVIA 2012-13 Budget
<b>REVENUE</b>				
Counties of Fresno & Tulare, City of Tulare Health Plan Revenue				
Medical & Rx	\$ 50,311,551	\$ 19,152,633	\$ 3,166,446	\$ 72,630,630
Dental	\$ 2,083,844	\$ 684,973	n/a	\$ 2,768,817
Vision	\$ 371,775	\$ 73,560	n/a	\$ 445,335
<b>TOTAL REVENUE</b>	<b>\$ 52,767,170</b>	<b>\$ 19,911,166</b>	<b>\$ 3,166,446</b>	<b>\$ 75,844,782</b>
<b>EXPENSES: Fixed</b>				
1 Specific & Aggregate Stop Loss Insurance (PPO)	\$ 124,798	\$ 393,054	\$ 47,035	\$ 564,887
2 Anthem ASO Administration & Network Fees (PPO)	\$ 272,068	\$ 856,884	\$ 145,718	\$ 1,274,669
3 Chimienti Associates/Hourglass Administration (PPO & Anthem HMO)	\$ 419,562	\$ 205,374	\$ 27,768	\$ 652,704
4 GBS Consulting	\$ 258,192	\$ 126,384	\$ 17,088	\$ 401,664
5 SJVIA Association Fee	\$ 129,096	\$ 63,192	\$ 8,544	\$ 200,832
6 SJVIA Non-Founding Member Fee	\$ -	\$ -	\$ 8,544	\$ 8,544
7 Wellness/Communications	\$ 193,644	\$ 94,788	\$ 12,816	\$ 301,248
8 Anthem HMO Pooling	\$ 1,311,928	\$ -	\$ -	\$ 1,311,928
9 Anthem HMO Administration/Retention	\$ 2,013,276	\$ -	\$ -	\$ 2,013,276
<b>TOTAL FIXED EXPENSES</b>	<b>\$ 4,722,563</b>	<b>\$ 1,739,676</b>	<b>\$ 267,513</b>	<b>\$ 6,729,752</b>
<b>EXPENSES: Claims</b>				
10 Projected Paid Claims PPO & Non-Cap HMO	\$ 33,255,862	\$ 17,567,462	\$ 2,654,825	\$ 53,478,149
11 Anthem MMP HMO Capitation (Fixed Claims Cost)	\$ 13,786,551	\$ -	\$ -	\$ 13,786,551
<b>TOTAL CLAIMS EXPENSES</b>	<b>\$ 47,042,413</b>	<b>\$ 17,567,462</b>	<b>\$ 2,654,825</b>	<b>\$ 67,264,701</b>
12 Delta Dental (6 months beginning 1/1/2013)	\$ 2,083,844	\$ 684,973	\$ -	\$ 2,768,817
13 VSP (6 months beginning 1/1/2013)	\$ 371,775	\$ 73,560	\$ -	\$ 445,335
	<b>\$ 2,455,619</b>	<b>\$ 758,533</b>	<b>\$ -</b>	<b>\$ 3,214,152</b>
<b>TOTAL PROJECTED EXPENSES</b>	<b>\$ 54,220,596</b>	<b>\$ 20,065,671</b>	<b>\$ 2,922,338</b>	<b>\$ 77,208,605</b>
Beginning IBNR Reserves				\$ 9,878,296
14 Rate Stabilization				\$ (1,473,160)
Ending IBNR Reserves				\$ 8,405,136
<b>COMBINED EXPENSES</b>				<b>\$ 75,735,445</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 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 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.

**6 SJVIA Non-Founding Member Fee**

This additional fee will be assessed to non-founding member entities and be used to offset administrative, management, legal, accounting and other services needed to effectively establish and maintain proper functioning of the Joint Powers Authority.

**7 Wellness**

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.

**7 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.

**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 Projected Paid Claims PPO & Non-Cap HMO**

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

**11 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

**12 Delta Dental**

This amount represents a fixed claim (premium) paid to Delta Dental for the dental program at both the County of Fresno and the County of Tulare. Because dental coverage came under the SJVIA effective 1/1/2013, this amount represents premium from 1/1/2013 through 6/30/2013.

**13 VSP**

This amount represents a fixed claim (premium) paid to VSP for the vision program at both the County of Fresno and the County of Tulare. Because vision coverage came under the SJVIA effective 1/1/2013, this amount represents premium from 1/1/2013 through 6/30/2013.

**14 Rate Stabilization**

When adopting the 2013 premiums, the Board of Director of the SJVIA elected to use a portion of the excess reserves to "buy down" the impact of the rate increase. This Rate Stabilization amount reflects this adjustment to reserves for the 2013 period of this budget year.