

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:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 20, 2012
9:00 AM

AGENDA DATE: April 20, 2012

ITEM NUMBER: 5(f)

SUBJECT: Quarterly SJVIA Financial Update

REQUEST(S): That the Board receives the Financial Update through 2nd Quarter, 2011-12

DESCRIPTION: Informational Item. Please see attached report.

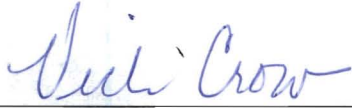
FISCAL IMPACT/FINANCING:

None.

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 20, 2012

ADMINISTRATIVE SIGN-OFF:



Vicki Crow
SJVIA Auditor-Treasurer

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED REVENUES & EXPENSES
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2011

	Current Quarter				Year-To-Date			
	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	%	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	%
REVENUE								
County of Fresno & County of Tulare Health Plan Revenue	\$14,441,941	\$16,592,952 *	\$2,151,011	13%	\$30,517,315	\$33,185,904 *	\$2,668,589	8%
COT (Anthem Medical, Rx, Vendor Services)								
COF (Anthem Medical, Vendor Services)								
EXPENSES: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	99,182	114,640	15,458	13%	195,873	229,280	33,407	15%
2 Anthem ASO Administration & Network Fees (PPO)	265,199	279,150	13,951	5%	522,993	558,301	35,308	6%
3 Chimenti Associates/Hourglass Administration	184,893	196,833	11,940	6%	367,208	393,666	26,458	7%
4 GBS Consulting	95,499	107,484	11,985	11%	189,870	214,968	25,098	12%
5 SJVIA Association Fee	47,522	53,742	6,220	12%	94,466	107,484	13,018	12%
6 Claims Management	31,191	67,178	35,987	54%	31,191	134,355	103,164	77%
7 Communications	0	13,436	13,436	100%	0	26,871	26,871	100%
8 Anthem HMO Pooling	385,993	399,848	13,855	3%	768,563	799,697	31,134	4%
9 Anthem HMO Administration/Retention	470,259	496,866	26,607	5%	935,737	993,732	57,995	6%
10 Blue View Vision (County of Tulare only)	36,076	42,059	5,983	14%	71,249	84,118	12,869	15%
TOTAL FIXED EXPENSES	1,615,814	1,771,236	155,422	9%	3,177,150	3,542,472	365,322	10%
EXPENSES: Claims								
11 Projected Paid Claims PPO & Non-Cap HMO	9,411,506	9,755,402	343,896	4%	20,677,219	19,510,804	(1,166,415)	(6%)
12 Anthem MMP HMO Capitation	3,277,075	3,580,503	303,428	8%	6,521,461	7,161,006	639,545	9%
TOTAL CLAIMS EXPENSES	12,688,581	13,335,905	647,324	5%	27,198,680	26,671,810	(526,870)	(2%)
TOTAL EXPENSES	14,304,395	15,107,141	802,746	5%	30,375,830	30,214,282	(161,548)	(1%)
13 Reserve Surplus	137,546	1,485,811 *	1,348,265	91%	141,485	2,971,622 *	2,830,137	95%
COMBINED EXPENSES & RESERVES	\$14,441,941	\$16,592,952	\$2,151,011	13%	\$30,517,315	\$33,185,904	\$2,668,589	8%

*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 & COMMUNICATIONS (FEES) - REVENUES & EXPENSES

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2011

Current Quarter

Year-To-Date

SJVIA FEES		
Administration (*Line 5)	Claims Mitigation (*Line 6)	Communications (*Line 7)
Revenue**	\$46,041	\$58,854
Expenses:		
Auditor-Treasurer Services	14,012	
County Counsel Services	170	
Personnel Services		
Membership Fees		
Insurance (Liability, Bond, Etc)	29,690	
Audit Fees		
Bank Service Fees	3,651	
Claims Management		31,191
Communications		
Total Expenses	47,522	31,191
Administration, Claims & Communications Surplus/(Deficit)	(\$1,481)	\$27,663

SJVIA FEES		
Administration (*Line 5)	Claims Mitigation (*Line 6)	Communications (*Line 7)
Revenue**	\$101,343	\$129,984
	41,001	
	3,288	
	44,690	
	5,487	
		31,191
	94,466	31,191
	\$6,877	\$98,793

FY11-12

Revenue**

Expenses:

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

Total Expenses

Administration, Claims &

Communications

Surplus/(Deficit)

*Total expenses for each column correspond to the line number shown on the "ACTUALS VS. BUDGETED REVENUES & EXPENSES" report.

**Revenue consists of fees collected from enrollees at the following rates per employee per month: \$2.00 for SJVIA association fees, \$2.50 for claims management & \$.50 for communications.