

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
July 20, 2012
9:00 AM

AGENDA DATE: July 20, 2012

ITEM NUMBER: 5(e)

SUBJECT: Quarterly SJVIA Financial Update

REQUEST(S): That the Board receives the Financial Update through 3rd Quarter, 2011-12

DESCRIPTION: Informational Item. Please see attached report.

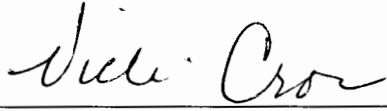
FISCAL IMPACT/FINANCING:

None.

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 20, 2012

ADMINISTRATIVE SIGN-OFF:

A handwritten signature in cursive script that reads "Vicki Crow". The signature is written in black ink and is positioned above a horizontal line.

Vicki Crow
SJVIA Auditor-Treasurer

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED REVENUES & EXPENSES
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2012

	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	\$14,912,532	\$14,528,838	(\$383,694)	(3%)	\$45,347,603	\$46,000,093	\$652,490	1%
COT (Anthem Medical, Rx, Vendor Services)								
COF (Anthem Medical, Vendor Services)								
EXPENSES: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	112,143	106,520	(5,623)	(5%)	308,017	319,011	10,994	3%
2 Anthem ASO Administration & Network Fees (PPO)	272,913	266,498	(6,415)	(2%)	795,905	810,146	14,241	2%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	161,950	151,798	(10,152)	(7%)	471,450	479,573	8,123	2%
4 GBS Consulting	95,685	93,414	(2,271)	(2%)	285,554	295,122	9,568	3%
5 SJVIA Association Fee	94,137	46,707	(47,430)	(102%)	188,602	147,561	(41,041)	(28%)
6 Claims Management/Communications	0	70,036	70,036	100%	31,191	221,267	190,076	86%
7 Anthem HMO Pooling	373,749	358,503	(15,246)	(4%)	1,142,312	1,197,768	55,456	5%
8 Anthem HMO Administration/Retention	490,297	477,386	(12,911)	(3%)	1,426,034	1,499,640	73,606	5%
9 Blue View Vision (County of Tulare only, 6 months of 2011 only)	0	0	0	0%	71,249	72,082	833	1%
TOTAL FIXED EXPENSES	1,600,874	1,570,862	(30,012)	(2%)	4,720,314	5,042,170	321,856	6%
EXPENSES: Claims								
10 Projected Paid Medical Claims PPO and Non-Cap HMO, & Projected Paid Rx Claims PPO (All CoT and Only CoF HDPP0)	10,125,263	9,365,763	(759,500)	(8%)	30,761,360	28,066,248	(2,695,112)	(10%)
11 Anthem MMP HMO Capitation	3,377,099	3,280,478	(96,621)	(3%)	9,898,560	10,404,033	505,473	5%
TOTAL CLAIMS EXPENSES	13,502,362	12,646,241	(856,121)	(7%)	40,659,920	38,470,281	(2,189,639)	(6%)
TOTAL EXPENSES	15,103,236	14,217,103	(886,133)	(6%)	45,380,234	43,512,451	(1,867,783)	(4%)
12 Reserve Deficit/Surplus	(190,704)	311,735	502,439	161%	(32,631)	2,487,642	2,520,273	101%
COMBINED EXPENSES & RESERVES	\$14,912,532	\$14,528,838	(\$383,694)	(3%)	\$45,347,603	\$46,000,093	\$652,490	1%

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 **Claims Management/Communications**

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. This rate category is also 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.

7 **Anthem HMO Pooling**

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

8 **Anthem HMO Administration/Retention**

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

9 **Blue View Vision**

Anthem Blue Cross Vision plan utilized by County of Tulare through 2011. There will be no participants in this plan as of January 1, 2012

10 **Projected Paid Medical Claims PPO and Non-Cap HMO, & Projected Paid Rx Claims PPO (All CoT and Only CoF HDPPPO)**

Projected self-insured PPO claims for medical and non-capitated HMO claims (hospital). Also, projected self-insured Rx claims for all County of Tulare plans and only County of Fresno HDPPPO Plan.

11 **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

12 **Reserve Surplus/Deficit**

Projected excess revenue over projected claims and fixed costs

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

ANALYSIS OF ADMINISTRATION, CLAIMS & COMMUNICATIONS (FEES) - REVENUES & EXPENSES FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2012

	Current Quarter		Year-To-Date	
	SJVIA FEES		SJVIA FEES	
	Administration (*Line 5)	Claims Management/ Communications (*Line 6)	Administration (*Line 5)	Claims Management/ Communications (*Line 6)
<u>FY11-12</u>				
Revenue**	\$44,885	\$67,719	\$146,228	\$223,815
Expenses:				
Auditor-Treasurer Services	61,822		102,823	
County Counsel Services	5,693		8,981	
Personnel Services	6,692		6,692	
Membership Fees				
Insurance (Liability, Bond, Etc)	16,000		60,690	
Audit Fees	1,570		1,570	
Bank Service Fees	2,360		7,846	
Claims Management Communications				31,191
Total Expenses	94,137		188,602	31,191
Administration, Claims & Communications (Deficit)/Surplus	(\$49,252)	\$67,719	(\$42,374)	\$192,624

*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 & \$3.00 for claims management/communications(\$2.50 for claims management & \$.50 for communications).

SJVIA
Schedule of Cash Flow by Month
For the Nine Months Ended March 31, 2012

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
BEGINNING CASH BALANCES:										
Claims Funding Account-844535294	\$515,991	\$863,986	\$347,466	\$479,850	\$391,099	\$724,634	\$760,193	\$675,347	\$1,093,688	\$515,991
Fixed Cost Account-844535120	591,016	630,210	635,905	672,278	117,889	680,212	425,290	461,099	439,645	591,016
SJVIA Claims Reserve Account-428255819	-	-	-	-	-	0.00	2,000,361	7,233,120	6,522,118	-
Total Beginning Balances	1,107,007	1,494,196	983,371	1,152,128	508,988	1,404,846	3,185,844	8,369,566	8,055,451	1,107,007
RECEIPTS:										
Claims Funding Account-844535294	3,584,451	3,963,540	3,689,572	2,810,397	3,322,194	3,046,750	2,234,334	3,415,519	3,635,479	29,702,236
Fixed Cost Account-844535120	1,656,007	2,344,316	2,353,832	1,128,280	1,480,513	2,193,973	1,539,608	1,596,572	1,412,761	15,705,862
SJVIA Claims Reserve Account-428255819	-	-	-	-	-	2,000,361	7,060,106	3,349,816	3,677,698	16,087,981
TOTAL RECEIPTS	5,240,458	6,307,856	6,043,404	3,938,677	4,802,707	7,241,084	10,834,048	8,361,907	8,725,938	61,496,079
DISBURSEMENTS:										
Claims Funding Account-844535294	3,236,456	4,480,060	3,557,188	2,899,148	2,988,659	3,011,191	2,319,180	2,997,178	3,927,301	29,416,361
Fixed Cost Account-844535120	1,616,813	2,338,621	2,317,459	1,682,669	918,190	2,448,895	1,503,799	1,618,026	1,543,289	15,987,761
SJVIA Claims Reserve Account-428255819	-	-	-	-	-	1,827,347	4,060,818	4,017,162	4,017,162	9,905,327
TOTAL DISBURSEMENTS	4,853,269	6,818,681	5,874,647	4,581,817	3,906,849	5,460,086	5,650,326	8,676,022	9,487,752	55,309,449
ENDING CASH BALANCES:										
Claims Funding Account-844535294	863,986	347,466	479,850	391,099	724,634	760,193	675,347	1,093,688	801,866	801,866
Fixed Cost Account-844535120	630,210	635,905	672,278	117,889	680,212	425,290	461,099	439,645	309,117	309,117
SJVIA Claims Reserve Account-428255819	-	-	-	-	-	2,000,361	7,233,120	6,522,118	6,182,654	6,182,654
Total Ending Balances	\$1,494,196	\$983,371	\$1,152,128	\$508,988	\$1,404,846	\$3,185,844	\$8,369,566	\$8,055,451	\$7,293,637	\$7,293,637

Investments:

No investments made at this time.