



SJVIA

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
August 24, 2012
9:00 AM

AGENDA DATE: August 24, 2012

ITEM NUMBER 11

SUBJECT Approve and adopt the recommended renewal rates for the 2013 plan year.

REQUEST(S): That the Board approve and adopt the recommended renewal rates for the 2013 plan year.

DESCRIPTION:

The renewal has been refined from the preliminary underwriting review at the July board meeting wherein a forecasted increase of 7-11% was presented. Gallagher Benefit Services, in conjunction with their actuarial division, has since adjusted the overall SJVIA renewal for 2013 to 4.9%. This considers experience through June 2012. It further assumes your Board's approval of a pooling point increase from \$250k to \$400k within the HMO. As you may recall, the pooling point (otherwise known as specific stop loss) limits the SJVIA's liability to a set dollar figure per individual per plan year. The Stop Loss policy will reimburse the SJVIA for claims in excess of that amount. The recommended increase in pooling point is based on Gallagher's actuarial review of actual experience in the SJVIA since inception. The renewal encompasses all fixed costs, reserve adjustments and forecasted trended paid claims.

The SJVIA is holding sufficient reserves for Incurred but Not Reported (IBNR) liability. The renewal as stated anticipates using a portion of the surplus contingency reserves to reduce the trended renewal increase. Additionally,

AGENDA: San Joaquin Valley Insurance Authority

DATE: August 24, 2012

projected surplus not reflected within this renewal calculation is PBM savings resulting from a proposed change in vendors on January 1, 2013. The anticipated savings is estimated to be in excess of \$560k. Attached is a renewal rate underwriting summary denoting all current and renewal SJVIA rates.

The aggregate stop loss (ASL) policy attachment is generally set at about 125-130% of expected med/Rx claims. This year the stop loss carrier increased the attachment point to an excessive amount at well over 175%. GBS is in the process of negotiating a reduced attachment point however the negotiations will not conclude, at the earliest, regarding the aggregate stop loss until October as the carrier will not finalize the rate and attachment point any more than 90 days in advance of renewal. The renewal annual premium for the ASL policy is \$45,000. In the event the carrier will not reduce the attachment point to about 125-130%% of expected claims, it is the recommendation of GBS to terminate this policy and forgo this premium expenditure. Presuming that the aggregate stop loss carrier reduces the proposed attachment point for a reasonable rate it is recommended that the coverage be renewed and that the subject of whether or not SJVIA should continue to purchase such coverage be reviewed next year

FISCAL IMPACT/FINANCING:

Projected renewal rate increases will be added to the budget for the 2012-13 fiscal year to be amended and approved at a future meeting.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Jeffrey Cardell
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS
SAN JOAQUIN VALLEY INSURANCE
AUTHORITY**

IN THE MATTER OF Approve and adopt the recommended renewal rates for the 2013 plan year.

RESOLUTION NO. _____
AGREEMENT NO. _____

UPON MOTION OF DIRECTOR _____, SECONDED BY DIRECTOR _____, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD _____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board approve and adopt the recommended renewal rates for the 2013 plan year.



Gallagher Benefit Services, Inc.
t h i n k i n g a h e a d

Renewal Underwriting

For the
**San Joaquin Valley Insurance Authority
(SJVIA)**

Plan Year: January 1, 2013 - December 31, 2013

Presented By:

Gallagher Benefit Services

CA License #: 0D36879

August 24, 2012

Important Note: This presentation represents estimations of the scope, size and operation of SJVIA subject to its formation and inclusion of the counties to which it is presenting. This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

San Joaquin Valley Insurance Authority
Paid Claims History - All PPO Plans

2010 Plan Year

Month-Year	Enrollment				Total EE's	Paid Claims		
	EE	ES	EC	EF		Medical	Rx	Combined
Stop Loss Reimbursement (Pooling Limit @ \$450K)						\$289,421	n/a	\$289,421
Totals	35,293	6,024	1,890	1,216	44,423	\$17,200,878	\$5,311,947	\$22,512,825
Average per Employee						\$387.21	\$119.58	\$506.78

2011 Plan Year

Month-Year	Enrollment				Total EE's	Paid Claims		
	EE	ES	EC	EF		Medical	Rx	Combined
Jan-11	2,822	480	138	99	3,539	1,429,536	516,926	1,946,462
Feb-11	2,840	476	135	99	3,550	1,007,714	452,168	1,459,882
Mar-11	2,830	467	137	98	3,532	1,603,527	527,272	2,130,799
Apr-11	2,813	465	135	98	3,511	1,173,111	484,843	1,657,954
May-11	2,808	459	134	96	3,497	1,395,391	522,977	1,918,368
Jun-11	2,771	457	132	99	3,459	1,909,438	514,173	2,423,611
Jul-11	2,773	453	133	97	3,456	1,353,198	518,598	1,871,795
Aug-11	2,763	449	133	97	3,442	1,612,720	572,393	2,185,113
Sep-11	2,774	445	134	94	3,447	1,531,530	522,219	2,053,749
Oct-11	2,773	446	133	93	3,445	1,297,125	553,929	1,851,054
Nov-11	2,775	426	131	92	3,424	1,445,619	526,275	1,971,894
Dec-11	2,769	421	137	89	3,416	1,246,010	548,773	1,794,783
Sub Total						17,004,918	6,260,546	23,265,464
Stop Loss Reimbursement (Pooling Limit @ \$450K)						220,164	n/a	220,164
Totals	33,511	5,444	1,612	1,151	41,718	\$16,784,754	\$6,260,546	\$23,045,300

Average per Employee (Enrollment lagged 2 months)					42,120	\$398.50	\$148.64	\$547.13
Percentage Change from Prior Year						2.92%	24.30%	7.96%

2012 Plan Year

Month-Year	Enrollment				Total EE's	Paid Claims		
	EE	ES	EC	EF		Medical	Rx	Combined
Jan-12	2,744	414	147	85	3,390	1,286,008	492,397	1,778,405
Feb-12	2,785	415	150	88	3,438	1,443,721	464,802	1,908,523
Mar-12	2,774	412	150	90	3,426	1,651,732	512,848	2,164,580
Apr-12	2,778	407	154	90	3,429	1,374,121	496,552	1,870,673
May-12	2,796	402	157	90	3,445	1,153,853	549,850	1,703,703
Jun-12	2,823	401	155	90	3,469	1,346,162	564,170	1,910,332
Sub Total						8,255,597	3,080,619	11,336,216
Stop Loss Reimbursement (Pooling Limit @ \$450K)						80,988	n/a	80,988
Totals	16,700	2,451	913	533	20,597	\$8,174,609	\$3,080,619	\$11,255,228

Rolling 12 Month Totals					41,269	\$16,741,799	\$6,322,806	\$23,064,605
Average per Employee (Enrollment lagged 2 months)						\$398.38	\$153.21	\$551.59
Percentage Change from Prior Year						-0.03%	3.08%	0.81%

SJVIA

2013 Claims Projection - PPO Plans Paid Claims Period: July 2011 through June 2012

	<u>Medical</u>	<u>Rx</u>	<u>Total</u>
Total Paid Claims 7/11 through 6/12	\$16,741,799	\$6,322,806	\$23,064,605
Claims in Excess of \$450,000	<u>\$301,152</u>	-	<u>301,152</u>
Total Paid Claims Net of Pooling	\$16,440,647	\$6,322,806	\$22,763,453
Enrollment lagged 2 months	41,269	41,269	
Average Paid Claim for Period	\$398.38	\$153.21	\$551.59
Trend (Med.- 8.25%, Rx - 4.5%)	1.1238	1.0675	1.1081
Benefit Modification Factor	1.0000	1.0000	1.0000
Provider Discount Factor	1.0000	1.0000	1.0000
Demographic Adjustment	1.0000	1.0000	1.0000
Projected Paid Claim	\$447.68	\$163.55	\$611.23
Current Monthly Enrollment (June 2012)	3,469	3,469	
Monthly Projected Paid Claims	\$1,552,991	\$567,359	\$2,120,350
Weighting Factor	1.00000	1.00000	1.00000
2013 Annual Projected Paid Claims	\$18,635,893	\$6,808,310	\$25,444,203
<i>Maximum Claims Liability(Aggregate Factors PEPM)</i>	<i>\$1,095.25</i>		<i>\$ 45,593,067</i>
Projected Required Reserve	\$2,329,487	\$340,416	\$2,669,902
Current Reserve*			\$4,183,641
Contingent Reserve			\$1,513,738
<i>*Calculated from claims data through June 2012 - represents all premiums paid from inception less all costs from inception</i>			

**San Joaquin Valley Insurance Authority
Paid Claims History - HMO Plan**

2010 Plan Year

Month-Year	Enrollment				Total EE's	Capitation	Non Capitated Paid Claims		
	EE	ES	EC	EF			Medical	Rx	Combined
Large Claim Credit (Pooling Limit @ \$250K)						738,339	807,669	n/a	1,546,008
Totals	27,516	8,247		8,194	65,673	\$ 12,438,557	\$ 18,037,889	\$ 6,196,669	\$ 38,336,460
Average per Employee							\$274.66	\$94.36	\$583.75

2011 Plan Year

Month-Year	Enrollment				Total EE's	Capitation	Non Capitated Paid Claims		
	EE	ES	EC	EF			Medical	Rx	Combined
Jan-11	2,182	679	1,461	680	5,002	1,205,332	1,456,998	616,009	3,278,339
Feb-11	2,170	675	1,460	681	4,986	1,201,476	949,741	530,415	2,681,632
Mar-11	2,160	677	1,461	681	4,979	1,199,790	1,408,225	601,785	3,209,800
Apr-11	2,130	675	1,449	682	4,936	1,189,428	1,383,120	621,127	3,193,674
May-11	2,123	680	1,449	680	4,932	1,188,464	1,418,729	582,467	3,189,660
Jun-11	2,120	682	1,460	672	4,934	1,188,946	1,637,044	589,313	3,415,303
Jul-11	2,103	683	1,453	668	4,907	1,182,440	1,922,731	595,372	3,700,543
Aug-11	2,102	677	1,451	671	4,901	1,180,994	2,132,702	633,725	3,947,421
Sep-11	2,098	671	1,445	666	4,880	1,175,934	1,683,604	629,898	3,489,436
Oct-11	2,086	667	1,450	664	4,867	1,172,801	1,665,758	641,054	3,479,613
Nov-11	2,092	665	1,459	661	4,877	1,175,211	1,627,475	614,631	3,417,317
Dec-11	2,093	668	1,458	658	4,877	1,175,211	1,472,804	594,155	3,242,169
Sub Total	25,459	8,099	17,456	8,064	59,078	14,236,026	18,758,931	7,249,950	40,244,907
Large Claim Credit (Pooling Limit @ \$250K)						1,037,516	866,985	n/a	1,904,501
Totals	25,459	8,099	17,456	8,064	59,078	\$13,198,510	\$17,891,946	\$7,249,950	\$38,340,406

Average per Employee (Enrollment lagged 2 months)	59,329	\$240.97	\$301.57	\$122.20	\$646.23
Percentage Change from Prior Year		9.80%	29.51%	10.70%	

2012 Plan Year

Month-Year	Enrollment				Total EE's	Capitation	Non Capitated Paid Claims		
	EE	ES	EC	EF			Medical	Rx	Combined
Jan-12	1,950	628	1,348	609	4,534	1,124,625	1,128,332	660,723	2,913,680
Feb-12	1,962	629	1,360	609	4,559	1,130,827	1,941,584	647,395	3,719,806
Mar-12	1,973	623	1,348	600	4,543	1,126,982	1,376,948	661,476	3,165,406
Apr-12	1,952	623	1,345	607	4,526	1,122,765	1,816,134	601,293	3,540,192
May-12	1,962	618	1,344	602	4,527	1,123,013	2,330,814	628,846	4,082,673
Jun-12	1,977	620	1,343	604	4,543	1,126,982	1,662,356	585,061	2,247,418
Sub Total	11,775	3,740	8,086	3,630	27,231	6,755,194	10,256,168	3,784,795	19,669,175
Large Claim Credit (Pooling Limit @ \$250K)							1,140,790	n/a	1,140,790
Totals	11,775	3,740	8,086	3,630	27,231	\$6,755,194	\$9,115,378	\$3,784,795	\$18,528,385

Rolling 12 Month Totals	57,746	\$13,817,784	\$20,761,242	\$7,493,629	\$40,945,673
Average per Employee (Enrollment lagged 2 months)		\$339.77	\$129.77	\$689.31	
Percentage Change from Prior Year		12.67%	6.19%	6.67%	

San Joaquin Valley Insurance Authority
2013 Claims Projection - HMO Plan
 Paid Claims Period: July 2011 through June 2012

	<u>Non Capitated</u>	<u>Capitation</u>	<u>Rx</u>	<u>Total</u>
Total Paid Claims 7/11 through 6/12	\$ 20,761,242	\$ 13,817,784	\$ 7,493,629	\$ 42,072,655
Claims in Excess of \$250,000	<u>1,730,691</u>	<u>-</u>	<u>-</u>	<u>1,730,691</u>
Total Paid Claims Net of Pooling	\$ 19,030,551	\$ 13,817,784	\$ 7,493,629	\$ 40,341,964
Enrollment 5/11 through 4/12 (lagged 2 months)	57,746	57,746	57,746	57,746
Average Paid Claim for Period (Non-Cap)	\$ 329.56	\$ 248.07	\$ 129.77	\$ 707.39
Trend (Med.- 8.25%,Cap - 5%, Rx -4.5%)	1.1238	1.0389	1.0675	1.0837
Benefit Modification Factor	1.0000	1.0000	1.0000	1.0000
Provider Discount Factor	1.0000	1.0000	1.0000	1.0000
Demographic Adjustment	1.0000	1.0000	1.0000	1.0000
Projected Paid Claim	\$ 370.34	\$ 257.71	\$ 138.53	\$ 766.58
Current Monthly Enrollment (June 2012)	4,543	4,543	4,543	
Monthly Projected Paid Claims	1,682,449	1,170,777	629,334	3,482,559
Weighting Factor	1.00000	1.00000	1.00000	1.00000
2013 Annual Projected Paid Claims	\$ 20,189,388	\$ 14,049,318	\$ 7,552,003	\$ 41,790,709
Maximum Claims Liability(Aggregate Factors PEPM \$250K)	\$494.90			\$ 26,979,968
Maximum Claims Liability(Aggregate Factors PEPM \$400K)	\$509.37			\$ 27,768,815
Projected Required Reserve	\$ 2,523,673	N/A	\$ 377,600	\$ 2,901,274
Current Reserve*				\$ 5,694,655
Contingent Reserve				\$ 2,793,381
<i>*Calculated from claims data through June 2012 - represents all premiums paid from inception less all costs from inception</i>				

SJVIA PPO Cost Worksheet: Combined - Anthem Blue Cross

Enrollment	Single		EE + Sp		EE + Ch		Family		Total		
Total PPO	2,823		401		155		90		3,469		
2011 Fixed Costs:											
	Single		EE + Sp		EE + Ch		Family		Totals		
PPO - Specific Stop Loss (HM Life \$450,000 ded. 12/15)	\$	8.88	\$	8.88	\$	8.88	\$	8.88	\$	369,657	
PPO - Aggregate Stop Loss (HM Life 12/15)	\$	0.80	\$	0.80	\$	0.80	\$	0.80	\$	33,302	
PPO - Blue Cross Core Administration	\$	23.42	\$	23.42	\$	23.42	\$	23.42	\$	974,928	
PPO - Blue Cross 360 Claims Management	\$	2.25	\$	2.25	\$	2.25	\$	2.25	\$	93,663	
Claims Management/Communication	\$	3.00	\$	3.00	\$	3.00	\$	3.00	\$	124,884	
JPA Consulting	\$	4.00	\$	4.00	\$	4.00	\$	4.00	\$	166,512	
SJVIA Fee	\$	2.00	\$	2.00	\$	2.00	\$	2.00	\$	83,256	
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$	6.50	\$	6.50	\$	6.50	\$	6.50	\$	270,582	
Total Fixed Cost	\$	50.85	\$	50.85	\$	50.85	\$	50.85	\$	2,116,784	
2011 Claims Costs:											
PPO - Projected Claims	\$	398.38	\$	398.38	\$	398.38	\$	398.38	\$	16,583,664	
PPO - Projected Rx Claims	\$	153.21	\$	153.21	\$	153.21	\$	153.21	\$	6,377,808	
Total Claims									\$	22,961,472	
Current Total PPO Cost									\$	25,078,256	
2012 Fixed Costs:											
	Single		EE + Sp		EE + Ch		Family		Totals	% Change	
PPO - Specific Stop Loss (HM Life \$450,000 ded. 12/15)	\$	10.21	\$	10.21	\$	10.21	\$	10.21	\$	425,022	15.0%
PPO - Aggregate Stop Loss (HM Life 12/15)	\$	0.80	\$	0.80	\$	0.80	\$	0.80	\$	33,302	0.0%
PPO - Blue Cross Core Administration	\$	24.36	\$	24.36	\$	24.36	\$	24.36	\$	1,014,058	4.0%
PPO - Blue Cross 360 Claims Management	\$	2.35	\$	2.35	\$	2.35	\$	2.35	\$	97,826	4.4%
Claims Management/Communication	\$	3.00	\$	3.00	\$	3.00	\$	3.00	\$	124,884	0.0%
JPA Consulting	\$	4.00	\$	4.00	\$	4.00	\$	4.00	\$	166,512	0.0%
SJVIA Fee	\$	2.00	\$	2.00	\$	2.00	\$	2.00	\$	83,256	0.0%
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$	6.50	\$	6.50	\$	6.50	\$	6.50	\$	270,582	0.0%
Total Fixed Cost	\$	53.22	\$	53.22	\$	53.22	\$	53.22	\$	2,215,442	4.7%
2012 Claims Costs:											
PPO - Projected Claims	\$	398.38	\$	398.38	\$	398.38	\$	398.38	\$	16,583,664	0.0%
PPO - Projected Rx Claims	\$	153.21	\$	153.21	\$	153.21	\$	153.21	\$	6,377,808	0.0%
Total Claims									\$	22,961,472	0.0%
Projected Total PPO Cost									\$	25,176,915	0.4%
Current Funding Total									\$	25,763,589	-2.3%
Projected Increase											-2.3%
2013 Fixed Costs:											
	Single		EE + Sp		EE + Ch		Family		Totals	% Change	
PPO - Specific Stop Loss (HM Life \$450,000 ded. 12/15)	\$	12.78	\$	12.78	\$	12.78	\$	12.78	\$	532,006	25.2%
PPO - Aggregate Stop Loss (HM Life 12/15)	\$	1.09	\$	1.09	\$	1.09	\$	1.09	\$	45,375	36.3%
PPO - Blue Cross Core Administration	\$	25.55	\$	25.55	\$	25.55	\$	25.55	\$	1,063,595	4.9%
PPO - Blue Cross 360 Claims Management	\$	1.98	\$	1.98	\$	1.98	\$	1.98	\$	82,423	-15.7%
Claims Management/Communication	\$	3.00	\$	3.00	\$	3.00	\$	3.00	\$	124,884	0.0%
JPA Consulting	\$	4.00	\$	4.00	\$	4.00	\$	4.00	\$	166,512	0.0%
SJVIA Fee	\$	2.00	\$	2.00	\$	2.00	\$	2.00	\$	83,256	0.0%
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$	6.50	\$	6.50	\$	6.50	\$	6.50	\$	270,582	0.0%
Total Fixed Cost	\$	56.90	\$	56.90	\$	56.90	\$	56.90	\$	2,368,633	6.9%
2013 Claims Costs:											
PPO - Projected Claims	\$	447.68	\$	447.68	\$	447.68	\$	447.68	\$	18,635,893	12.4%
PPO - Projected Rx Claims	\$	163.55	\$	163.55	\$	163.55	\$	163.55	\$	6,808,310	6.7%
PPO - Rate Stabilization Credit	\$	(20.69)	\$	(20.69)	\$	(20.69)	\$	(20.69)	\$	(861,482)	
Total Claims									\$	24,582,721	7.1%
Projected Total PPO Cost									\$	26,951,354	4.6%
Current Funding Total									\$	25,763,589	4.6%
Projected Increase											4.6%

SJVIA 2012 HMO Cost Worksheet: Combined - Anthem Blue Cross

Enrollment	Single	EE +Sp	EE + Ch	Family	Total	
Total HMO	1,977	620	1,343	604	4,543	
2011 Fixed Costs:						
	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>		<u>Totals</u>
HMO - Pooling (\$250,000)	\$ 28.39	\$ 28.39	\$ 28.39	\$ 28.39		\$ 1,547,709
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 34.58	\$ 34.58	\$ 34.58	\$ 34.58		\$ 1,885,163
Claims Management/Communication	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00		\$ 163,548
JPA Consulting	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00		\$ 218,064
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00		\$ 109,032
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50		\$ 354,354
Total Fixed Cost	\$ 78.47	\$ 78.47	\$ 78.47	\$ 78.47		\$ 4,277,871
2011 Claims Costs:						
HMO - Capitation	\$ 240.97	\$ 240.97	\$ 240.97	\$ 240.97		\$ 13,136,721
HMO - Projected Medical Claims	\$ 329.56	\$ 329.56	\$ 329.56	\$ 329.56		\$ 17,966,085
HMO - Projected Rx Claims	\$ 129.77	\$ 129.77	\$ 129.77	\$ 129.77		\$ 7,074,476
Total Claims						\$ 38,177,281
Current Total Projected Cost						\$ 42,455,151
2012 Fixed Costs:						
	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>		<u>Totals</u>
HMO - Pooling (\$250,000)	\$ 27.11	\$ 27.11	\$ 27.11	\$ 27.11		\$ 1,477,929
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 36.10	\$ 36.10	\$ 36.10	\$ 36.10		\$ 1,968,028
Claims Management/Communication	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00		\$ 163,548
JPA Consulting	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00		\$ 218,064
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00		\$ 109,032
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50		\$ 354,354
Total Fixed Cost (2012)	\$ 78.71	\$ 78.71	\$ 78.71	\$ 78.71		\$ 4,290,954
						% Change
						-4.5%
						4.4%
						0.0%
						0.0%
						0.0%
						0.0%
						0.3%
2012 Claims Costs:						
HMO - Capitation	\$ 248.07	\$ 248.07	\$ 248.07	\$ 248.07		\$ 13,523,784
HMO - Projected Medical Claims	\$ 329.56	\$ 329.56	\$ 329.56	\$ 329.56		\$ 17,966,085
HMO - Projected Rx Claims	\$ 129.77	\$ 129.77	\$ 129.77	\$ 129.77		\$ 7,074,476
Total Claims						\$ 38,564,345
						2.9%
						0.0%
						0.0%
Renewal Total Projected Cost						\$ 42,855,299
						0.9%
Current Actual Funding Rates						\$ 42,035,659
						1.9%
Projected Increase						1.9%
2013 Fixed Costs:						
	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>		<u>Totals</u>
HMO - Pooling (\$250,000)	\$ 35.49	\$ 35.49	\$ 35.49	\$ 35.49		\$ 1,934,773
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 37.76	\$ 37.76	\$ 37.76	\$ 37.76		\$ 2,058,524
Claims Management/Communication	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00		\$ 163,548
JPA Consulting	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00		\$ 218,064
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00		\$ 109,032
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50		\$ 354,354
Total Fixed Cost	\$ 88.75	\$ 88.75	\$ 88.75	\$ 88.75		\$ 4,838,295
						12.8%
2013 Claims Costs:						
HMO - Capitation	\$ 257.71	\$ 257.71	\$ 257.71	\$ 257.71		\$ 14,049,318
HMO - Projected Medical Claims	\$ 370.34	\$ 370.34	\$ 370.34	\$ 370.34		\$ 20,189,388
HMO - Projected Rx Claims	\$ 138.53	\$ 138.53	\$ 138.53	\$ 138.53		\$ 7,552,003
HMO - Rate Stabilization Credit	\$ (38.28)	\$ (38.28)	\$ (38.28)	\$ (38.28)		\$ (2,086,753)
Total Claims						\$ 39,703,956
						3.9%
						12.4%
						6.7%
Renewal Total Projected Cost						\$ 44,542,251
						6.0%
Current Actual Funding Rates						\$ 42,035,659
						6.0%
Projected Increase						6.0%

SJVIA 2012 HMO Cost Worksheet: Combined - Anthem Blue Cross (\$400k Pooling Option)

Enrollment	Single	EE +Sp	EE + Ch	Family	Total	
Total HMO	1,977	620	1,343	604	4,543	
2011 Fixed Costs:						
	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>	<u>Totals</u>	
HMO - Pooling (\$250,000)	\$ 28.39	\$ 28.39	\$ 28.39	\$ 28.39	\$ 1,547,709	
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 34.58	\$ 34.58	\$ 34.58	\$ 34.58	\$ 1,885,163	
Claims Management/Communication	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 163,548	
JPA Consulting	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 218,064	
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 109,032	
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 354,354	
Total Fixed Cost	\$ 78.47	\$ 78.47	\$ 78.47	\$ 78.47	\$ 4,277,871	
2011 Claims Costs:						
HMO - Capitation	\$ 240.97	\$ 240.97	\$ 240.97	\$ 240.97	\$ 13,136,721	
HMO - Projected Medical Claims	\$ 329.56	\$ 329.56	\$ 329.56	\$ 329.56	\$ 17,966,085	
HMO - Projected Rx Claims	\$ 129.77	\$ 129.77	\$ 129.77	\$ 129.77	\$ 7,074,476	
Total Claims					\$ 38,177,281	
Current Total Projected Cost					\$ 42,455,151	
2012 Fixed Costs:						
	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>	<u>Totals</u>	<u>% Change</u>
HMO - Pooling (\$250,000)	\$ 27.11	\$ 27.11	\$ 27.11	\$ 27.11	\$ 1,477,929	-4.5%
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 36.10	\$ 36.10	\$ 36.10	\$ 36.10	\$ 1,968,028	4.4%
Claims Management/Communication	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 163,548	0.0%
JPA Consulting	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 218,064	0.0%
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 109,032	0.0%
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 354,354	0.0%
Total Fixed Cost	\$ 78.71	\$ 78.71	\$ 78.71	\$ 78.71	\$ 4,290,954	0.3%
2012 Claims Costs:						
HMO - Capitation	\$ 248.07	\$ 248.07	\$ 248.07	\$ 248.07	\$ 13,523,784	2.9%
HMO - Projected Medical Claims	\$ 329.56	\$ 329.56	\$ 329.56	\$ 329.56	\$ 17,966,085	0.0%
HMO - Projected Rx Claims	\$ 129.77	\$ 129.77	\$ 129.77	\$ 129.77	\$ 7,074,476	0.0%
Total Claims					\$ 38,564,345	
Renewal Total Projected Cost					\$ 42,855,299	0.9%
Current Actual Funding Rates					\$ 42,035,659	1.9%
Projected Increase						1.9%
2013 Fixed Costs:						
	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>	<u>Totals</u>	<u>% Change</u>
HMO - Pooling (\$400,000)	\$ 21.02	\$ 21.02	\$ 21.02	\$ 21.02	\$ 1,145,926	-22.5%
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 37.76	\$ 37.76	\$ 37.76	\$ 37.76	\$ 2,058,524	4.6%
Claims Management/Communication	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 163,548	0.0%
JPA Consulting	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 218,064	0.0%
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 109,032	0.0%
Hourglass (Consolidated Billing, COBRA, Flex Admin)	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 354,354	0.0%
Total Fixed Cost	\$ 74.28	\$ 74.28	\$ 74.28	\$ 74.28	\$ 4,049,448	-5.6%
2013 Claims Costs:						
HMO - Capitation	\$ 257.71	\$ 257.71	\$ 257.71	\$ 257.71	\$ 14,049,318	3.9%
HMO - Projected Medical Claims	\$ 378.12	\$ 378.12	\$ 378.12	\$ 378.12	\$ 20,613,749	14.7%
HMO - Projected Rx Claims	\$ 138.53	\$ 138.53	\$ 138.53	\$ 138.53	\$ 7,552,003	6.7%
HMO - Rate Stabilization Credit	\$ (38.28)	\$ (38.28)	\$ (38.28)	\$ (38.28)	\$ (2,086,753)	
Total Claims					\$ 40,128,317	
Renewal Total Projected Cost					\$ 44,177,766	5.1%
Current Actual Funding Rates					\$ 42,035,659	5.1%
Projected Increase						5.1%

SJVIA 2013 Renewal Rate Summary

Effective January 1, 2013

Current Total SJVIA (PPO & HMO) \$67,799,248

Renewal Total SJVIA (PPO & HMO) \$71,493,605

SJVIA Combined Projected Increase (Shared Risk) 5.4%

Overall Renewal with Change to \$400K Pooling Point for HMO \$71,129,120

Projected Increase 4.9%

San Joaquin Valley Insurance Authority

Current/Final Renewal Rates with \$250K Pooling Point HMO

<u>Enrollment:</u>					
<u>Enrollment (06/12)</u>	<u>Single</u>	<u>EE + Sp</u>	<u>EE +Ch</u>	<u>Family</u>	<u>Total</u>
Anthem PPO - Active (CoF)	235	33	15	7	290
Anthem HDHP - Active (CoF)	226	16	16	10	268
Anthem HMO - Active (CoF)	1977	620	1343	604	4543
Anthem HDHP - Pre 65 (CoF)	220	49	7	2	278
Anthem \$0 Deductible (CoT)	302	26	12	4	344
Anthem \$500 Deductible (CoT)	676	97	38	14	825
Anthem \$1,000 Deductible (CoT)	1142	178	65	53	1438
Anthem \$2,500 Deductible HSA (CoT)	<u>22</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>26</u>
Total	4800	1021	1498	694	8012
<u>PPO Plan Rates:</u>					
<u>Current</u>	<u>Single</u>	<u>EE + Sp</u>	<u>EE +Ch</u>	<u>Family</u>	<u>Totals</u>
Anthem PPO - Active (CoF)	\$751.75	\$1,578.05	\$1,429.70	\$2,180.08	\$3,185,305
Anthem HDHP - Active (CoF)	\$420.18	\$890.02	\$797.92	\$1,215.93	\$1,609,524
Anthem HDHP - Pre 65 (CoF)	\$588.19	\$1,041.29	\$918.84	\$1,370.82	\$2,275,182
Anthem \$0 Deductible (CoT)	\$670.34	\$1,339.96	\$1,223.18	\$2,031.52	\$3,121,020
Anthem \$500 Deductible (CoT)	\$504.78	\$1,010.04	\$925.10	\$1,593.10	\$5,959,948
Anthem \$1,000 Deductible (CoT)	\$443.42	\$886.18	\$813.14	\$1,350.92	\$9,463,017
Anthem \$2,500 Deductible HSA (CoT)	\$420.24	\$839.82	\$770.58	\$1,280.28	<u>\$149,593</u>
			Combined Premium		\$25,763,589
<u>2013 Renewal</u>	<u>Single</u>	<u>EE + Sp</u>	<u>EE +Ch</u>	<u>Family</u>	<u>Totals</u>
Anthem PPO - Active (CoF)	\$792.71	\$1,664.04	\$1,507.60	\$2,298.87	\$3,358,871
Anthem HDHP - Active (CoF)	\$443.08	\$938.52	\$841.40	\$1,282.19	\$1,697,227
Anthem HDHP - Pre 65 (CoF)	\$620.24	\$1,098.03	\$968.91	\$1,445.52	\$2,399,156
Anthem \$0 Deductible (CoT)	\$706.86	\$1,412.97	\$1,289.83	\$2,142.22	\$3,291,083
Anthem \$500 Deductible (CoT)	\$532.29	\$1,065.08	\$975.51	\$1,679.91	\$6,284,704
Anthem \$1,000 Deductible (CoT)	\$467.59	\$934.47	\$857.45	\$1,424.53	\$9,978,653
Anthem \$2,500 Deductible HSA (CoT)	\$443.14	\$885.58	\$812.57	\$1,350.04	<u>\$157,744</u>
			Combined Premium		\$27,167,438
			SJIVIA PPO Projected Increase		5.4%

San Joaquin Valley Insurance Authority
Current/Final Renewal Rates with \$250K Pooling Point HMO

<u>Enrollment:</u>					
<u>Enrollment (06/12)</u>	<u>Single</u>	<u>EE + Sp</u>	<u>EE +Ch</u>	<u>Family</u>	<u>Total</u>
Anthem PPO - Active (CoF)	235	33	15	7	290
Anthem HDHP - Active (CoF)	226	16	16	10	268
Anthem HMO - Active (CoF)	1977	620	1343	604	4543
Anthem HDHP - Pre 65 (CoF)	220	49	7	2	278
Anthem \$0 Deductible (CoT)	302	26	12	4	344
Anthem \$500 Deductible (CoT)	676	97	38	14	825
Anthem \$1,000 Deductible (CoT)	1142	178	65	53	1438
Anthem \$2,500 Deductible HSA (CoT)	<u>22</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>26</u>
Total	4800	1021	1498	694	8012
<u>HMO Plan Rates:</u>					
<u>Current</u>					
Anthem HMO - Active	\$532.96	\$942.33	\$831.72	\$1,240.01	\$42,035,659
<u>2013 Renewal</u>					
Anthem HMO - Active	\$562.00	\$993.67	\$877.04	\$1,307.57	\$44,326,167
HMO SJVIA Projected Increase					5.4%
Current SJVIA Combined Plan Premium					\$67,799,248
Projected 2012 Combined Cost					\$71,493,605
Renewal Plan Premium					\$71,493,605
SJVIA Combined Projected Increase					5.4%

San Joaquin Valley Insurance Authority

Current/Final Renewal Rates with \$400K Pooling Point HMO

<u>Enrollment:</u>					
<u>Enrollment (06/12)</u>	<u>Single</u>	<u>EE + Sp</u>	<u>EE +Ch</u>	<u>Family</u>	<u>Total</u>
Anthem PPO - Active (CoF)	235	33	15	7	290
Anthem HDHP - Active (CoF)	226	16	16	10	268
Anthem HMO - Active (CoF)	1977	620	1343	604	4543
Anthem HDHP - Pre 65 (CoF)	220	49	7	2	278
Anthem \$0 Deductible (CoT)	302	26	12	4	344
Anthem \$500 Deductible (CoT)	676	97	38	14	825
Anthem \$1,000 Deductible (CoT)	1142	178	65	53	1438
Anthem \$2,500 Deductible HSA (CoT)	<u>22</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>26</u>
Total	4800	1021	1498	694	8012
<u>PPO Plan Rates:</u>					
<u>Current</u>	<u>Single</u>	<u>EE + Sp</u>	<u>EE +Ch</u>	<u>Family</u>	<u>Totals</u>
Anthem PPO - Active (CoF)	\$751.75	\$1,578.05	\$1,429.70	\$2,180.08	\$3,185,305
Anthem HDHP - Active (CoF)	\$420.18	\$890.02	\$797.92	\$1,215.93	\$1,609,524
Anthem HDHP - Pre 65 (CoF)	\$588.19	\$1,041.29	\$918.84	\$1,370.82	\$2,275,182
Anthem \$0 Deductible (CoT)	\$670.34	\$1,339.96	\$1,223.18	\$2,031.52	\$3,121,020
Anthem \$500 Deductible (CoT)	\$504.78	\$1,010.04	\$925.10	\$1,593.10	\$5,959,948
Anthem \$1,000 Deductible (CoT)	\$443.42	\$886.18	\$813.14	\$1,350.92	\$9,463,017
Anthem \$2,500 Deductible HSA (CoT)	\$420.24	\$839.82	\$770.58	\$1,280.28	<u>\$149,593</u>
			Combined Premium		\$25,763,589
<u>2013 Renewal</u>	<u>Single</u>	<u>EE + Sp</u>	<u>EE +Ch</u>	<u>Family</u>	<u>Totals</u>
Anthem PPO - Active (CoF)	\$788.67	\$1,655.55	\$1,499.91	\$2,287.15	\$3,341,747
Anthem HDHP - Active (CoF)	\$440.82	\$933.73	\$837.11	\$1,275.65	\$1,688,574
Anthem HDHP - Pre 65 (CoF)	\$617.08	\$1,092.43	\$963.97	\$1,438.15	\$2,386,925
Anthem \$0 Deductible (CoT)	\$703.26	\$1,405.77	\$1,283.25	\$2,131.30	\$3,274,305
Anthem \$500 Deductible (CoT)	\$529.57	\$1,059.65	\$970.54	\$1,671.34	\$6,252,663
Anthem \$1,000 Deductible (CoT)	\$465.20	\$929.71	\$853.08	\$1,417.27	\$9,927,780
Anthem \$2,500 Deductible HSA (CoT)	\$440.88	\$881.07	\$808.43	\$1,343.16	<u>\$156,940</u>
			Combined Premium		\$27,028,934
			SJIA PPO Projected Increase		4.9%

San Joaquin Valley Insurance Authority
Current/Final Renewal Rates with \$400K Pooling Point HMO

<u>Enrollment:</u>					
<u>Enrollment (06/12)</u>	<u>Single</u>	<u>EE + Sp</u>	<u>EE +Ch</u>	<u>Family</u>	<u>Total</u>
Anthem PPO - Active (CoF)	235	33	15	7	290
Anthem HDHP - Active (CoF)	226	16	16	10	268
Anthem HMO - Active (CoF)	1977	620	1343	604	4543
Anthem HDHP - Pre 65 (CoF)	220	49	7	2	278
Anthem \$0 Deductible (CoT)	302	26	12	4	344
Anthem \$500 Deductible (CoT)	676	97	38	14	825
Anthem \$1,000 Deductible (CoT)	1142	178	65	53	1438
Anthem \$2,500 Deductible HSA (CoT)	<u>22</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>26</u>
Total	4800	1021	1498	694	8012
<u>HMO Plan Rates:</u>					
<u>Current</u>					
Anthem HMO - Active	\$532.96	\$942.33	\$831.72	\$1,240.01	\$42,035,659
<u>2013 Renewal</u>					
Anthem HMO - Active	\$559.13	\$988.61	\$872.57	\$1,300.91	\$44,100,185
HMO SJVIA Projected Increase					4.9%
Current SJVIA Combined Plan Premium					\$67,799,248
Projected 2012 Combined Cost					\$71,129,120
Renewal Plan Premium					\$71,129,120
SJVIA Combined Projected Increase					4.9%

San Joaquin Valley Insurance Authority

HMO Pooling Considerations

Anthem Blue Cross HMO Pooling

<u>Options</u>	<u>Deductible</u>	<u>Premium PEPM</u>	<u>Annual Fixed Premium</u>	<u>Premium Change</u>	<u>Number of Claims</u>
Renewal	\$ 250,000	\$ 35.49	\$ 1,934,773	N/A	n/a
Option 1	\$ 300,000	\$ 29.38	\$ 1,601,680	\$ 333,093	6.66
Option 2	\$ 350,000	\$ 24.30	\$ 1,324,739	\$ 610,034	6.10
Option 3	\$ 400,000	\$ 21.02	\$ 1,145,926	\$ 788,847	5.26

Claims between \$250K and \$400K	
2010	\$ 400,281
2011	\$ 572,802
2012 YTD	\$ 300,000
Annual Average	\$ 424,361

Savings Calculation:	
Pooling Premium	\$ 788,847
Annual Average	\$ 424,361
Average Savings	\$ 364,486

*Current Enrollment 4,543
 Claims over Pooling last 12 months 2

San Joaquin Valley Insurance Authority

Aggregate Stop Loss Historical Data

Monthly Enrollment Used for Comparison Purposes 3,469

<u>Year</u>	<u>Rate PEPM</u>	<u>Annual Premium</u>	<u>Attachment Factor</u>	<u>Maximum PPO Liability</u>	<u>Unaudited Aggregate Eligible Claims</u>	<u>Corridor</u>
2010	\$1.41	\$58,695	\$656.65	27,335,026	22,512,825	1.21
2011	\$0.80	\$33,302	\$723.09	30,100,791	23,045,300	1.31
2012	\$0.80	\$33,302	\$756.93	31,509,482	22,961,472	1.37
2013 Projected	\$1.09	\$45,375	\$1,095.25	45,593,067	25,444,203	1.79