



BOARD OF DIRECTORS

ANDREAS BERGEAS
JUDITH CASE
STEVE WORTHLEY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETER VANDER POEL

Meeting Location:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
November 1, 2013
9:00 AM

AGENDA DATE: November 1, 2013

ITEM NUMBER: 10

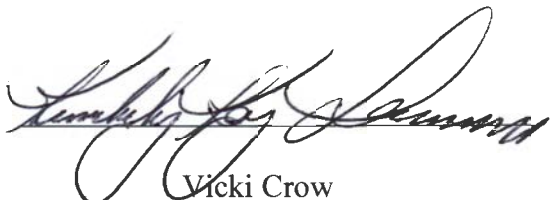
SUBJECT: Quarterly SJVIA Financial Update

REQUEST(S): That the Board receives the Financial Update through 1st Quarter, 2013-14

DESCRIPTION: Informational Item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:


Vicki Crow
SJVIA Auditor-Treasurer

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

IN THE MATTER OF

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: _____

* * * * *

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

ACTUALS VS. BUDGETED REVENUES & EXPENSES FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013

	Current Quarter			
	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	% VARIANCE
REVENUE				
TOTAL REVENUE	\$21,097,073	\$20,893,546	(\$203,527)	(1%)
EXPENSES: Fixed				
1 Specific & Aggregate Stop Loss Insurance (PPO)	139,215	141,624	2,409	2%
2 Anthem ASO Administration & Network Fees (PPO)	311,047	319,257	8,210	3%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	157,207	159,918	2,711	2%
4 GBS Consulting	100,899	102,683	1,784	2%
5 SJVIA Administration	29,586	54,881	25,295	46%
6 Wellness	6,045	64,177	58,132	91%
7 Communications	766	12,835	12,069	94%
8 Anthem HMO Pooling	308,280	306,260	(2,020)	(1%)
9 Anthem HMO Administration/Retention	533,898	541,508	7,610	1%
TOTAL FIXED EXPENSES	1,586,943	1,703,143	116,200	7%
EXPENSES: Claims				
10 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	14,685,889	14,269,453	(416,436)	(3%)
11 Anthem MMP HMO Capitation	3,664,495	3,704,930	40,435	1%
TOTAL CLAIMS EXPENSES	18,350,384	17,974,383	(376,001)	(2%)
EXPENSES: Premiums				
12 Delta Dental	1,314,548	1,361,984	47,436	3%
13 Vision Service Plan	219,169	226,898	7,729	3%
TOTAL PREMIUM EXPENSES	1,533,717	1,588,882	55,165	3%
TOTAL EXPENSES	21,471,044	21,266,408	(204,636)	(1%)
14 Reserve Deficit	(373,971)	(372,862)	1,109	(0%)
COMBINED EXPENSES & RESERVES	\$21,097,073	\$20,893,546	(\$203,527)	(1%)

SAN JOAQUIN VALLEY INSURANCE AUTHORITY**ANALYSIS OF ADMINISTRATION, WELLNESS & COMMUNICATIONS (FEES) - REVENUES & EXPENSES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

Current Quarter			
SJVIA FEES			
	Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
<u>FY13-14</u>			
Revenue**	\$55,278	\$64,459	\$12,084
Expenses:			
Auditor-Treasurer Services			
County Counsel Services	701		
Personnel Services			
Membership Fees			
Insurance (Liability, Bond, Etc)	19,370		
Audit Fees	925		
Bank Service Fees	4,002		
Excise Tax	4,588		
Wellness		6,045	
Communications			766
Total Expenses	29,586	6,045	766
Administration, Wellness & Communications Surplus	\$25,692	\$58,414	\$11,318

*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: \$4.00 for administration(\$2.00 for SJVIA administration fees & \$2.00 for non-founding member fees), \$2.50 for wellness fees & \$.50 for communications fees.

SJVIA
Schedule of Cash Flow by Month
For the Three Months Ended September 30, 2013

	JULY	AUGUST	SEPTEMBER	TOTAL
BEGINNING CASH BALANCES:				
Claims Funding Account-844535294	\$551,069	\$369,448	\$784,967	\$551,069
Fixed Cost Account-844535120	322,321	613,622	304,292	322,321
Claims Reserve Account-428255819	4,266,377	4,832,847	3,333,752	4,266,377
Total Beginning Balances	5,139,767	5,815,917	4,423,011	5,139,767
RECEIPTS:				
Claims Funding Account-844535294	2,673,807	4,395,424	3,273,144	10,342,375
Fixed Cost Account-844535120	2,244,415	2,348,918	2,300,236	6,893,569
Claims Reserve Account-428255819	4,916,508	4,427,610	5,206,785	14,550,903
TOTAL RECEIPTS	9,834,730	11,171,952	10,780,165	31,786,847
DISBURSEMENTS:				
Claims Funding Account-844535294	2,855,428	3,979,905	3,533,239	10,368,572
Fixed Cost Account-844535120	1,953,114	2,658,248	2,255,508	6,866,870
Claims Reserve Account-428255819	4,350,038	5,926,705	4,633,530	14,910,273
TOTAL DISBURSEMENTS	9,158,580	12,564,858	10,422,277	32,145,715
ENDING CASH BALANCES:				
Claims Funding Account-844535294	369,448	784,967	524,872	524,872
Fixed Cost Account-844535120	613,622	304,292	349,020	349,020
Claims Reserve Account-428255819	4,832,847	3,333,752	3,907,007	3,907,007
Total Ending Balances	\$5,815,917	\$4,423,011	\$4,780,899	\$4,780,899
<u>Investments:</u>				
Total Ending Balances	\$5,027,974	\$5,027,974	\$5,039,948	\$5,039,948

The SJVIA invested \$5 million into the County of Tulare pool on December 21, 2012. These funds were moved from the JP Morgan Chase "Claims Reserve Account". The yield earned for the quarter ended 9/30/13 was .94% with quarterly earnings of \$11,974.

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 Administration**

This rate category is for administrative, management, legal, accounting and other services needed to effectively establish and maintain proper functioning of the Joint Powers Authority.

6 **Wellness**

This rate category is 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 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 Medical & Rx Claims-PPO and Non-Cap HMO**

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

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 **Delta Dental**

Premium for entities covered under the SJVIA Delta Dental program.

13 **Vision Service Plan**

Premium for entities covered under the SJVIA VSP Vision program.

14 **Reserve Surplus/Deficit**

Projected excess revenue over projected claims, premiums and fixed costs.