



BOARD OF DIRECTORS

ANDREAS BERGEAS

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
February 1, 2013
9:00 AM

AGENDA DATE: February 1, 2013

ITEM NUMBER: 6

SUBJECT: Quarterly SJVIA Financial Update

REQUEST(S): That the Board receives the Financial Update through 2nd Quarter, 2012-13

DESCRIPTION: Informational Item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:

A handwritten signature in blue ink, appearing to read "Vicki Crow", is written over a horizontal line.

Vicki Crow
SJVIA Auditor-Treasurer

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

IN THE MATTER OF Quarterly SJVIA Financial Update

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 received and Filed the Financial Update through 2nd Quarter, 2012-13

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

	Current Quarter				Year-To-Date			
	ACTUALS	BUDGET*	(OVER) / UNDER BUDGET	% VARIANCE	ACTUALS	BUDGET*	(OVER) / UNDER BUDGET	% VARIANCE
REVENUE								
County of Fresno & County of Tulare Health Plan Revenue	\$17,080,734	\$15,320,449	(\$1,760,285)	(11%)	\$31,632,998	\$30,640,898	(\$992,100)	(3%)
COT (Anthem Medical, Rx, Vendor Services)								
COF (Anthem Medical, Vendor Services)								
EXPENSES: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	127,373	124,002	(3,371)	(3%)	251,842	248,005	(3,837)	(2%)
2 Anthem ASO Administration & Network Fees (PPO)	316,249	307,990	(8,259)	(3%)	625,504	615,980	(9,524)	(2%)
** 3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	164,562	152,042	(12,520)	(8%)	313,800	304,083	(9,717)	(3%)
4 GBS Consulting	105,490	97,836	(7,654)	(8%)	201,859	195,672	(6,187)	(3%)
5 SJVIA Administration	67,307	51,054	(16,253)	(32%)	100,769	102,108	1,339	1%
6 Claims Management	44,027	61,147	17,120	28%	44,027	101,912	57,885	57%
7 Communications	4,117	12,230	8,113	66%	4,117	20,382	16,265	80%
8 Anthem HMO Pooling	400,333	358,503	(41,830)	(12%)	746,171	717,005	(29,166)	(4%)
9 Anthem HMO Administration/Retention	533,135	477,386	(55,749)	(12%)	993,698	954,773	(38,925)	(4%)
TOTAL FIXED EXPENSES	1,762,593	1,642,190	(120,403)	(7%)	3,281,787	3,259,920	(21,867)	(1%)
EXPENSES: Claims								
10 Projected Paid Medical Claims PPO and Non-Cap HMO, & Projected Paid Rx Claims PPO (All CoT and Only CoF HDPPPO)	10,904,042	10,290,309	(613,733)	(6%)	20,962,882	20,580,618	(382,264)	(2%)
11 Anthem MMP HMO Capitation	3,663,779	3,280,478	(383,301)	(12%)	6,828,822	6,560,955	(267,867)	(4%)
TOTAL CLAIMS EXPENSES	14,567,821	13,570,787	(997,034)	(7%)	27,791,704	27,141,573	(650,131)	(2%)
TOTAL EXPENSES	16,330,414	15,212,977	(1,117,437)	(7%)	31,073,491	30,401,493	(671,998)	(2%)
12 Reserve Surplus	750,320	107,472	(642,848)	(598%)	559,507	239,405	(320,102)	(134%)
COMBINED EXPENSES & RESERVES	\$17,080,734	\$15,320,449	(\$1,760,285)	(11%)	\$31,632,998	\$30,640,898	(\$992,100)	(3%)

*Due to the pending approval of the revised 2012-2013 budget, the budget presented is comprised of 2012 activity from the 2011-2012 budget for the County of Fresno & the County of Tulare, and 2012 activity from the original 2012-2013 budget for the City of Tulare.

**The Chimenti expenses have been adjusted by the following refundable estimated overpayments: Current Quarter \$26,500 Year-to-Date \$53,000

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 Claims Management

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 \$250k within the HMO (not PPO).

9 Anthem HMO Administration/Retention

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

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

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 HDPPO 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 SIX MONTHS ENDED DECEMBER 31, 2012

Current Quarter

Year-To-Date

SJVIA FEES		
Administration (*Line 5)	Claims Management (*Line 6)	Communications (*Line 7)
\$57,165	\$67,359	\$13,472
27,405		
1,492		
5,000		
25,813		
6,220		
1,377		
	44,027	
		4,117
67,307	44,027	4,117
(\$10,142)	\$23,332	\$9,355

SJVIA FEES		
Administration (*Line 5)	Claims Management (*Line 6)	Communications (*Line 7)
\$104,549	\$125,761	\$25,153
27,405		
1,492		
10,578		
48,480		
9,750		
3,064		
	44,027	
		4,117
100,769	44,027	4,117
\$3,780	\$81,734	\$21,036

FY12-13

Revenue**

Expenses:

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

Total Expenses

Administration, Claims &
Communications
(Deficit)/Surplus

*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 SJVIA association/non-founding member fees(\$2.00 for SJVIA association & \$2.00 for non-founding member) & \$3.00 for claims management/communications fees(\$2.50 for claims management & \$.50 for communications).

(A) This charge represents payments for Auditor-Treasurer services related to prior year routine services as well as charges related to the 2010-2011 audit & charges to integrate the City of Tulare.

(B) This charge represents payments to Pacific Coast Medical Services for mammography screening as well as a payment in this fiscal year for services rendered by Delta Health Systems for health evaluations occurring in the prior fiscal year.

SJVIA
Schedule of Cash Flow by Month
For the Six Months Ended December 31, 2012

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
BEGINNING CASH BALANCES:							
Claims Funding Account- 844535294	\$709,397	\$348,046	\$574,059	\$486,928	\$504,670	\$542,101	\$709,397
Fixed Cost Account- 844535120	301,657	331,453	337,327	363,858	376,218	398,690	301,657
Claims Reserve Account- 428255819	8,177,407	8,611,368	9,708,781	8,472,345	8,242,150	9,223,324.00	8,177,407
Total Beginning Balances	9,188,461	9,290,867	10,620,167	9,323,131	9,123,038	10,164,115	9,188,461
RECEIPTS:							
Claims Funding Account- 844535294	2,415,008	3,197,799	2,339,349	4,482,637	2,414,094	2,660,316	17,509,203
Fixed Cost Account- 844535120	1,614,381	1,667,875	1,519,225	2,288,955	1,616,994	1,724,458	10,431,888
Claims Reserve Account- 428255819	3,207,310	4,809,857	1,804,804	4,757,122	3,539,211	3,591,384	21,709,688
TOTAL RECEIPTS	7,236,699	9,675,531	5,663,378	11,528,714	7,570,299	7,976,158	49,650,779
DISBURSEMENTS:							
Claims Funding Account- 844535294	2,776,359	2,971,786	2,426,480	4,464,895	2,376,663	2,761,514	17,777,697
Fixed Cost Account- 844535120	1,584,585	1,662,001	1,492,694	2,276,595	1,594,522	1,739,751	10,350,148
Claims Reserve Account- 428255819	2,773,349	3,712,444	3,041,240	4,987,317	2,558,037	6,504,976	25,577,365
TOTAL DISBURSEMENTS	7,134,293	8,346,231	6,960,414	11,728,807	6,529,222	13,006,243	53,705,210
ENDING CASH BALANCES:							
Claims Funding Account- 844535294	348,046	574,059	486,928	504,670	542,101	440,903	440,903
Fixed Cost Account- 844535120	331,453	337,327	363,858	376,218	398,690	383,397	383,397
Claims Reserve Account- 428255819	8,611,368	9,708,781	8,472,345	8,242,150	9,223,324	4,309,730	4,309,730
Total Ending Balances	\$9,290,867	\$10,620,167	\$9,323,131	\$9,123,038	\$10,164,115	\$5,134,030	\$5,134,030
Investments:							
Total Ending Balances	\$0	\$0	\$0	\$0	\$0	\$5,001,782	\$5,001,782

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 12/31/12 was 1.18%.