



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:
Human Resources and Development
Test Room
2900 W. Burrel Ave
Visalia, CA 93291
April 19, 2013
9:00 AM

AGENDA DATE: April 19, 2013

ITEM NUMBER: 6

SUBJECT: Quarterly SJVIA Financial Update

REQUEST(S): That the Board receives the Financial Update through 3rd Quarter, 2012-13

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 Quarterly 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 receives and and files the Financial Update through 3rd
Quarter, 2012-13

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED REVENUES & EXPENSES
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2013

	Current Quarter				Year-To-Date			
	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	%	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	%
REVENUE								
TOTAL REVENUE	\$21,212,478	\$20,301,413	(\$911,065)	(4%)	\$52,845,477	\$56,548,681	\$3,703,204	7%
EXPENSES: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	139,044	135,550	(3,494)	(3%)	390,886	388,418	(2,468)	(1%)
2 Anthem ASO Administration & Network Fees (PPO)	313,571	307,117	(6,454)	(2%)	939,074	936,332	(2,742)	(0%)
** 3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	153,221	156,371	3,150	2%	468,435	468,723	288	0%
4 GBS Consulting	99,207	100,500	1,293	1%	301,066	302,605	1,539	1%
5 SJVIA Administration	82,782	52,698	(30,084)	(57%)	183,550	158,647	(24,903)	(16%)
6 Wellness	18,572	62,813	44,241	70%	62,599	189,128	126,529	67%
7 Communications	6,409	12,562	6,153	49%	10,526	37,826	27,300	72%
8 Anthem HMO Pooling	310,857	303,768	(7,089)	(2%)	1,057,027	1,058,674	1,647	0%
9 Anthem HMO Administration/Retention	513,063	537,117	24,054	4%	1,506,760	1,532,562	25,802	2%
TOTAL FIXED EXPENSES	1,636,726	1,668,496	31,770	2%	4,919,923	5,072,915	152,992	3%
EXPENSES: Claims								
10 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	13,481,931	13,959,065	477,134	3%	34,444,813	39,476,370	5,031,557	13%
11 Anthem MMP HMO Capitation	3,523,435	3,674,823	151,388	4%	10,352,257	10,532,797	180,540	2%
TOTAL CLAIMS EXPENSES	17,005,366	17,633,888	628,522	4%	44,797,070	50,009,167	5,212,097	10%
EXPENSES: Premiums								
12 Delta Dental	1,172,499	1,358,622	186,123	14%	1,172,499	1,358,622	186,123	14%
13 Vision Service Plan	185,724	222,295	36,571	16%	185,724	222,295	36,571	16%
TOTAL PREMIUM EXPENSES	1,358,223	1,580,917	222,694	14%	1,358,223	1,580,917	222,694	14%
TOTAL EXPENSES	20,000,315	20,883,301	882,986	4%	51,075,216	56,662,999	5,587,783	10%
14 Reserve Surplus	1,212,163	(581,888)	(1,794,051)	308%	1,770,261	(114,318)	(1,884,579)	1649%
COMBINED EXPENSES & RESERVES	\$21,212,478	\$20,301,413	(\$911,065)	(4%)	\$52,845,477	\$56,548,681	\$3,703,204	7%

**The Chimenti expenses have been adjusted by the following refundable overpayments: Year-to-Date \$51,586

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

ANALYSIS OF ADMINISTRATION, CLAIMS & COMMUNICATIONS (FEES) - REVENUES & EXPENSES

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2013

Current Quarter

Year-To-Date

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
Revenue**	\$57,500	\$68,848
Expenses:		
Auditor-Treasurer Services(A)	55,586	
County Counsel Services	3,641	
Personnel Services	4,963	
Membership Fees		
Insurance (Liability, Bond, Etc)	16,000	
Audit Fees		
Bank Service Fees	2,592	
Wellness		18,572
Communications		6,409
Total Expenses	82,782	6,409
Administration, Claims & Communications (Deficit)	(\$25,282)	\$6,962

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
Revenue**	\$162,048	\$194,609
Expenses:		
Auditor-Treasurer Services(A)	82,991	
County Counsel Services	5,133	
Personnel Services	15,539	
Membership Fees		
Insurance (Liability, Bond, Etc)	64,480	
Audit Fees	9,750	
Bank Service Fees	5,657	
Wellness		62,599
Communications		10,526
Total Expenses	183,550	10,526
Administration, Claims & Communications (Deficit)	(\$21,502)	\$27,998

*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.

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

SJVIA
Schedule of Cash Flow by Month
For the Nine Months Ended March 31, 2013

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
BEGINNING CASH BALANCES:										
Claims Funding Account-844535294	\$709,397	\$348,046	\$574,059	\$486,928	\$504,670	\$542,101	\$440,903	\$471,204	\$710,827	\$709,397
Fixed Cost Account-844535120	301,657	331,453	337,327	363,858	376,218	398,690	383,397	299,149	326,913	301,657
Claims Reserve Account-428255819	8,177,407	8,611,368	9,708,781	8,472,345	8,242,150	9,223,324	4,309,730	4,221,834	3,801,883	8,177,407
Total Beginning Balances	9,188,461	9,290,867	10,620,167	9,323,131	9,123,038	10,164,115	5,134,030	4,992,187	4,839,623	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	3,205,782	3,088,488	3,564,159	27,367,632
Fixed Cost Account-844535120	1,614,381	1,667,875	1,519,225	2,288,955	1,616,994	1,724,458	1,995,539	2,236,052	2,709,835	17,373,314
Claims Reserve Account-428255819	3,207,310	4,809,857	1,804,804	4,757,122	3,539,211	3,591,384	4,435,533	4,819,894	6,122,947	37,088,062
TOTAL RECEIPTS	7,236,699	9,675,531	5,663,378	11,528,714	7,570,299	7,976,158	9,636,854	10,144,434	12,396,941	81,829,008
DISBURSEMENTS:										
Claims Funding Account-844535294	2,776,359	2,971,786	2,426,480	4,464,895	2,376,663	2,761,514	3,175,481	2,848,865	3,743,874	27,545,917
Fixed Cost Account-844535120	1,584,585	1,662,001	1,492,694	2,276,595	1,594,522	1,739,751	2,079,787	2,208,288	2,333,286	16,971,509
Claims Reserve Account-428255819	2,773,349	3,712,444	3,041,240	4,987,317	2,558,037	8,504,978	4,523,429	5,239,845	5,010,841	40,351,480
TOTAL DISBURSEMENTS	7,134,293	8,346,231	6,960,414	11,728,807	6,529,222	13,006,243	9,778,697	10,296,998	11,088,001	84,868,906
ENDING CASH BALANCES:										
Claims Funding Account-844535294	348,046	574,059	486,928	504,670	542,101	440,903	471,204	710,827	531,112	531,112
Fixed Cost Account-844535120	331,453	337,327	363,858	376,218	398,690	383,397	299,149	326,913	703,462	703,462
Claims Reserve Account-428255819	8,611,368	9,708,781	8,472,345	8,242,150	9,223,324	4,309,730	4,221,834	3,801,883	4,913,989	4,913,989
Total Ending Balances	\$9,290,867	\$10,620,167	\$9,323,131	\$9,123,038	\$10,164,115	\$5,134,030	\$4,992,187	\$4,839,623	\$6,148,563	\$6,148,563
Investments:										
Total Ending Balances	\$0	\$0	\$0	\$0	\$0	\$5,001,782	\$5,001,782	\$5,001,782	\$5,014,955	\$5,014,955

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 3/31/13 was 1.07% with quarterly earnings of \$13,173.

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

This amount represents a fixed claim (premium) paid to Delta Dental for the dental program at both the County of Fresno and the County of Tulare. Because dental coverage came under the SJVIA effective 1/1/2013, this amount represents premium from 1/1/2013 through 6/30/2013.

13 Vision Service Plan

This amount represents a fixed claim (premium) paid to VSP for the vision program at both the County of Fresno and the County of Tulare. Because vision coverage came under the SJVIA effective 1/1/2013, this amount represents premium from 1/1/2013 through 6/30/2013.

14 Reserve Surplus/Deficit

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