



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POCHIGIAN

PETE VANDER POEL

Meeting Location:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
July 26, 2013
9:00 AM

AGENDA DATE:

July 26, 2013

ITEM NUMBER:

13

SUBJECT:

Quarterly SJVIA Financial Update

REQUEST(S):

That the Board receives the Financial Update through 4th Quarter,
2012-13

DESCRIPTION: Informational Item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:

Vicki Crow
SJVIA Auditor-Treasurer

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED REVENUES & EXPENSES
FOR THE THREE AND TWELVE MONTHS ENDED JUNE 30, 2013

	Current Quarter				Year-To-Date			
	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	%	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	%
REVENUE								
*TOTAL REVENUE	\$19,896,977	\$20,301,409	\$404,432	2%	\$72,690,867	\$76,850,090	\$4,159,223	5%
EXPENSES: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	134,454	135,550	1,096	1%	525,339	523,968	(1,371)	(0%)
2 Anthem ASO Administration & Network Fees (PPO)	298,409	307,118	8,709	3%	1,237,483	1,243,450	5,967	0%
*3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	168,794	156,369	(12,425)	(8%)	637,228	625,092	(12,136)	(2%)
4 GBS Consulting	106,697	100,499	(6,198)	(6%)	407,763	403,104	(4,659)	(1%)
5 SJVIA Administration	46,138	52,697	6,559	12%	229,689	211,344	(18,345)	(9%)
6 Wellness	140,205	62,812	(77,393)	(123%)	202,804	251,940	49,136	20%
7 Communications	6,340	12,562	6,222	50%	16,866	50,388	33,522	67%
8 Anthem HMO Pooling	342,318	303,767	(38,551)	(13%)	1,399,345	1,362,441	(36,904)	(3%)
9 Anthem HMO Administration/Retention	602,737	537,117	(65,620)	(12%)	2,109,497	2,069,679	(39,818)	(2%)
TOTAL FIXED EXPENSES	1,846,092	1,668,491	(177,601)	(11%)	6,766,014	6,741,406	(24,608)	(0%)
EXPENSES: Claims								
10 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	13,186,584	13,959,065	772,481	6%	47,631,397	53,435,435	5,804,038	11%
11 Anthem MMP HMO Capitation	4,126,117	3,674,824	(451,293)	(12%)	14,478,374	14,207,621	(270,753)	(2%)
TOTAL CLAIMS EXPENSES	17,312,701	17,633,889	321,188	2%	62,109,771	67,643,056	5,533,285	8%
EXPENSES: Premiums								
12 Delta Dental	1,445,156	1,358,621	(86,535)	(6%)	2,617,654	2,717,243	99,589	4%
13 Vision Service Plan	239,869	222,293	(17,576)	(8%)	425,593	444,588	18,995	4%
TOTAL PREMIUM EXPENSES	1,685,025	1,580,914	(104,111)	(7%)	3,043,247	3,161,831	118,584	4%
TOTAL EXPENSES	20,843,818	20,883,294	39,476	0%	71,919,032	77,546,293	5,627,261	7%
14 Reserve (Deficit)/Surplus	(946,841)	(581,885)	364,956	(63%)	771,835	(696,203)	(1,468,038)	211%
COMBINED EXPENSES & RESERVES	\$19,896,977	\$20,301,409	\$404,432	2%	\$72,690,867	\$76,850,090	\$4,159,223	5%

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

SJVIA
Schedule of Cash Flow by Month
For the Twelve Months Ended June 30, 2013

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	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	\$531,112	\$347,333	\$543,423	\$709,397
Fixed Cost Account-844535120	301,657	331,453	337,327	363,858	376,218	398,690	383,397	299,149	326,913	703,462	740,326	453,192	301,657
Claims Reserve Account-428255819	<u>8,177,407</u>	<u>8,611,368</u>	<u>9,708,781</u>	<u>8,472,345</u>	<u>8,242,150</u>	<u>9,223,324</u>	<u>4,309,730</u>	<u>4,221,834</u>	<u>3,801,883</u>	<u>4,913,989</u>	<u>4,950,267</u>	<u>4,271,018</u>	<u>8,177,407</u>
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	6,148,563	6,037,926	5,267,633	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	3,040,452	3,625,155	2,912,642	36,945,881
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	2,266,233	2,775,756	2,230,377	24,645,680
Claims Reserve Account-428255819	<u>3,207,310</u>	<u>4,809,857</u>	<u>1,804,804</u>	<u>4,757,122</u>	<u>3,539,211</u>	<u>3,591,384</u>	<u>4,435,533</u>	<u>4,819,894</u>	<u>6,122,947</u>	<u>4,397,138</u>	<u>4,330,883</u>	<u>4,165,658</u>	<u>49,981,741</u>
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	9,703,823	10,731,794	9,308,677	111,573,302
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	3,224,231	3,429,065	2,904,996	37,104,209
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	2,229,369	3,062,890	2,361,248	24,625,016
Claims Reserve Account-428255819	<u>2,773,349</u>	<u>3,712,444</u>	<u>3,041,240</u>	<u>4,987,317</u>	<u>2,558,037</u>	<u>8,504,978</u>	<u>4,523,429</u>	<u>5,239,845</u>	<u>5,010,841</u>	<u>4,360,860</u>	<u>5,010,132</u>	<u>4,170,299</u>	<u>53,892,771</u>
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	9,814,460	11,502,087	9,436,543	115,621,996
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	347,333	543,423	551,069	551,069
Fixed Cost Account-844535120	331,453	337,327	363,858	376,218	398,690	383,397	299,149	326,913	703,462	740,326	453,192	322,321	322,321
Claims Reserve Account-428255819	<u>8,611,368</u>	<u>9,708,781</u>	<u>8,472,345</u>	<u>8,242,150</u>	<u>9,223,324</u>	<u>4,309,730</u>	<u>4,221,834</u>	<u>3,801,883</u>	<u>4,913,989</u>	<u>4,950,267</u>	<u>4,271,018</u>	<u>4,266,377</u>	<u>4,266,377</u>
Total Ending Balances	<u>\$9,290,867</u>	<u>\$10,620,167</u>	<u>\$9,323,131</u>	<u>\$9,123,038</u>	<u>\$10,164,115</u>	<u>\$5,134,030</u>	<u>\$4,992,187</u>	<u>\$4,839,623</u>	<u>\$6,148,563</u>	<u>\$6,037,926</u>	<u>\$5,267,633</u>	<u>\$5,139,767</u>	<u>\$5,139,767</u>
Investments:													
Total Ending Balances	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,001,782</u>	<u>\$5,001,782</u>	<u>\$5,001,782</u>	<u>\$5,014,955</u>	<u>\$5,014,955</u>	<u>\$5,014,955</u>	<u>\$5,027,974</u>	<u>\$5,027,974</u>

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 6/30/13 was 1.04% with quarterly earnings of \$13,020.

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.