



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

Meeting Location:
Tulare County Employees' Retirement
Association Board Chambers
136 N Akers St
Visalia, CA 93921
November 6, 2015
9:00 AM

AGENDA DATE: November 6, 2015

ITEM NUMBER: 10

SUBJECT: Quarterly SJVIA financial update

REQUEST(S): That the Board receives the financial update through 1st quarter,
2015-16

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 RECEIPTS & DISBURSEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015**

	Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS				
TOTAL RECEIPTS	\$36,183,822	\$35,278,896	(\$904,926)	(3%)
DISBURSEMENTS: Fixed				
1 Specific & Aggregate Stop Loss Insurance (PPO)	273,116	251,662	21,454	8%
2 Anthem ASO Administration & Network Fees (PPO)	459,806	504,684	(44,878)	(10%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	195,843	188,718	7,125	4%
4 GBS Consulting	139,076	139,785	(709)	(1%)
5 SJVIA Administration	98,430	102,656	(4,226)	(4%)
6 Wellness	311,109	250,436	60,673	20%
7 Communications	18,831	0	18,831	100%
8 Anthem HMO Pooling	404,462	429,457	(24,995)	(6%)
9 Anthem HMO Administration/Retention	603,033	595,440	7,593	1%
10 ACA Reinsurance (PPO & HMO)	178,561	35,250	143,311	80%
TOTAL FIXED DISBURSEMENTS	2,682,267	2,498,088	184,179	7%
DISBURSEMENTS: Claims				
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,360,469	22,793,844	(2,433,375)	(12%)
12 Anthem MMP HMO Capitation	4,434,901	4,405,585	29,316	1%
TOTAL CLAIMS DISBURSEMENTS	24,795,370	27,199,429	(2,404,059)	(10%)
DISBURSEMENTS: Premiums				
13 Delta Dental	1,692,664	1,767,408	(74,744)	(4%)
14 Vision Service Plan	330,107	275,508	54,599	17%
15 Kaiser Permanente	5,899,185	4,694,328	1,204,857	20%
TOTAL PREMIUM DISBURSEMENTS	7,921,956	6,737,244	1,184,712	15%
TOTAL DISBURSEMENTS	35,399,593	36,434,761	(1,035,168)	(3%)
16 Change in Reserve	784,229	(1,155,865)	(1,940,094)	247%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$36,183,822	\$35,278,896	(\$904,926)	(3%)

*The approved budget contains assumptions that may differ throughout the fiscal year. The budget amounts presented in this report are estimates, and are presented irrespective of the timing of those assumptions.

Note: These schedules are on the cash basis and have not been audited.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

**ANALYSIS OF ADMINISTRATION, WELLNESS & COMMUNICATIONS (FEES) - RECEIPTS & DISBURSEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015**

Year-To-Date

FY14-15

Receipts**

Disbursements:

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

Total Disbursements

**Change in Administration, Wellness &
Communications Reserve**

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
\$110,451	\$322,138	\$27,663
8,551		
1,636		
50,737		
36,604		
5,128		
	250,436	
102,656	250,436	
\$7,795	\$71,702	\$27,663

*Total disbursements for each column correspond to the line number shown on the "ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS" report.

**Receipts consist of fees collected from relevant enrollees at the following rates per employee per month: Various rates for administration(\$2.00 for SJVIA administration fees & various rates for non-founding member fees depending upon a participant's enrollment), \$9.30 for wellness(\$2.50 for wellness fees & \$6.80 for Viverae wellness fees) & \$.50 for communications fees.

Note: These schedules are on the cash basis and have not been audited.

San Joaquin Valley Insurance Authority
Schedule of Cash Flow by Month
For the Three Months Ended September 30, 2015

	JULY	AUGUST	SEPTEMBER	TOTAL
BEGINNING CASH BALANCES:				
Claims Funding Account	\$ 255,518	\$ 358,018	\$ 725,672	\$ 255,518
Fixed Cost Account	962,479	1,084,176	1,188,032	962,479
Claims Reserve Account	726,791	2,019,732	889,905	726,791
Investment Pool-Note 1	3,111,190	3,113,257	3,113,257	3,111,190
Total Beginning Balances	5,055,978	6,575,183	5,916,866	5,055,978
RECEIPTS:				
Claims Funding Account	5,458,470	6,197,585	5,777,556	17,433,611
Fixed Cost Account	5,476,988	5,056,322	4,467,807	15,001,117
Claims Reserve Account	10,537,501	8,604,557	10,352,117	29,494,175
Investment Pool	2,067		10,618	12,685
	21,475,026	19,858,464	20,608,098	61,941,588
DISBURSEMENTS:				
Claims Funding Account	5,355,970	5,829,931	5,802,079	16,987,980
Fixed Cost Account	5,355,291	4,952,466	3,777,347	14,085,104
Claims Reserve Account	9,244,560	9,734,384	10,174,958	29,153,902
Investment Pool		-	2,000,000	2,000,000
TOTAL DISBURSEMENTS	19,955,821	20,516,781	21,754,384	62,226,986
ENDING CASH BALANCES:				
Claims Funding Account	358,018	725,672	701,149	701,149
Fixed Cost Account	1,084,176	1,188,032	1,878,492	1,878,492
Claims Reserve Account	2,019,732	889,905	1,067,064	1,067,064
Investment Pool	3,113,257	3,113,257	1,123,875	1,123,875
Total Ending Balances	<u>\$ 6,575,183</u>	<u>\$ 5,916,866</u>	<u>\$ 4,770,580</u>	<u>\$ 4,770,580</u>

Note 1: The County of Fresno investment pool yield paid during the quarter ended 9/30/15 was 1.394% with quarterly earnings of \$12,685.

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 **Administration & Network Fees (Anthem & Blue Shield PPO)**

ASO is "Administrative Services Only". This definition includes Anthem Blue Cross & Blue Shield administration fees and includes access fees to use the Blue Cross & Blue Shield 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 health plans excluding HealthNow/Blue Shield.
- 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. This category includes charges for Viverae which is an independent vendor providing wellness and disease management services. These services include disease management, health coaching, challenges, website portal, and wellness resources for participants in the SJVIA health plans.
- 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 **ACA Reinsurance (PPO & HMO)**
The Affordable Care Act (ACA) includes the following fees on insurance plans: 1) Patient Centered Outcomes Research Institute (PCORI)-this fee is \$2.00 per covered member per year. 2) Transitional Reinsurance Fee-this fee is \$63.00 per covered member per year.
- 11 **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).
- 12 **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.
- 13 **Delta Dental**
Premium for entities covered under the SJVIA Delta Dental program.
- 14 **Vision Service Plan**
Premium for entities covered under the SJVIA VSP Vision program.
- 15 **Kaiser Permanente**
Premium for entities covered under the SJVIA Kaiser HMO program.
- 16 **Change in Reserve**
Excess receipts over claims, premiums and fixed costs.