

# SJVIA 2015-16 FISCAL BUDGET

Revised November 6, 2015

<b>REVENUE</b>		
SJVIA Health Plan Revenue		
Medical & Rx		\$ 112,697,450
Dental		\$ 6,770,654
Vision		\$ 1,297,719
Kaiser Premium		\$ 23,735,387
<b>TOTAL REVENUE</b>		<b>\$ 144,501,209</b>
<b>EXPENSES: Fixed</b>		
1 Specific & Aggregate Stop Loss Insurance (PPO)		\$ 1,092,464
2 Administration & Network Fees (Anthem PPO)		\$ 1,688,679
2 Administration & Network Fees (Blue Shield PPO)		\$ 142,793
3 Viverae Wellness and Disease Management		\$ 867,816
4 Chimienti Associates/Hourglass Administration (Anthem & Kaiser)		\$ 783,370
5 GBS Consulting		\$ 556,305
6 SJVIA Association Fee		\$ 301,296
7 SJVIA Non-Founding Member Fee		\$ 92,424
8 Wellness/Communications		\$ 451,944
9 Anthem HMO Pooling		\$ 1,617,847
10 Anthem HMO Administration/Retention		\$ 2,412,130
11 ACA Reinsurance/PCORI (PPO)		\$ 297,222
11 ACA Reinsurance/PCORI (HMO)		\$ 417,022
<b>TOTAL FIXED EXPENSES</b>		<b>\$ 10,721,311</b>
<b>EXPENSES: Claims</b>		
12 Projected Paid Claims PPO		\$ 44,425,269
13 Projected Non-Cap HMO Claims		\$ 37,016,606
14 Anthem MMP HMO Capitation (Fixed Claims Cost)		\$ 17,739,602
<b>TOTAL CLAIMS EXPENSES</b>		<b>\$ 99,181,477</b>
15 Delta Dental		\$ 6,770,654
16 VSP		\$ 1,297,719
17 Kaiser Permanente		\$ 23,596,739
		<b>\$ 31,665,112</b>
<b>TOTAL PROJECTED EXPENSES</b>		<b>\$ 141,567,899</b>
<b>Impact to Reserves</b>		<b>\$ 2,933,310</b>
18 <b>Beginning Reserve</b>		<b>\$ 10,117,971</b>
<b>Add - Revenue</b>		<b>\$ 144,501,209</b>
<b>Less - Expenses</b>		<b>\$ (141,567,899)</b>
19 <b>Equals - Ending Reserves</b>		<b>\$ 13,051,281</b>

## 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 and Blue Shield PPO):

Administrative services for the PPO plans. This definition includes Anthem Blue Cross and Health Now Administrative Services administration fees and includes access fees to use the Anthem Blue Cross and Blue Shield networks of providers. These services do not include the Anthem HMO plan.

### 3 Viverae Wellness and Disease Management

Viverae is an independent vendor providing wellness and disease management services for the SJVIA. These services include disease management, health coaching, challenges, website portal, and wellness resources for participants in the SJVIA health plans.

### 4 Chimienti Associates/Hourglass Administration (Anthem and Kaiser)

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.

### 5 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.

### 6 SJVIA Association Fee

The association fee will be used by SJVIA for administrative, management, legal, accounting and other services needed to effectively establish and maintain proper functioning of the Joint Powers Authority.

### 7 SJVIA Non-Founding Member Fee

This additional fee will be assessed to non-founding member entities and be used to offset administrative, management, legal, accounting and other services needed to effectively establish and maintain proper functioning of the Joint Powers Authority.

### 8 Wellness

This rate category is earmarked 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.

### 8 Communications

This rate category is earmarked 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.

### 9 Anthem HMO Pooling

This is for the specific stop loss pooling insurance for claims in excess of \$400k within the HMO (not PPO).

### 10 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.

### 11 ACA Reinsurance/PCORI (PPO)

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 \$44.00 per covered member per year for the 2015 calendar year and \$26.00 for the 2016 calendar year.

### 11 ACA Reinsurance/PCORI (HMO)

The Affordable Care Act (ACA) includes the following fees on insurance plans: 1) Patient Centered Outcomes Research Institute (PCORI) - this fee is \$2.08 per covered member per year. 2) Transitional Reinsurance Fee - this fee is \$44.00 per covered member per year for the 2015 calendar year and \$26 for the 2016 calendar year.

### 12 Projected Paid Claims PPO

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

### 13 Projected Non-Cap HMO Claims

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

### 14 Anthem MMP 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

### 15 Delta Dental

Premium for entities covered under the SJVIA Delta Dental program

### 16 VSP

Premium for entities covered under the SJVIA VSP Vision program

### 17 Kaiser Permanente

Premium for entities covered under the SJVIA Kaiser HMO program less fixed costs including items 6,7

### 18 Beginning Reserves

Net of all premiums due less all expenses owed as of June 30th of the prior fiscal year. Not equal to cash on hand.

### 19 Ending Reserves

Net of all premiums due less all expenses owed as of June 30th of this fiscal year. Not equal to cash on hand.