



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: 9

SUBJECT: Quarterly SJVIA financial update

REQUEST(S): That the Board receives the financial update through 4th quarter,
2014-15

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 AND TWELVE MONTHS ENDED JUNE 30, 2015

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS								
TOTAL RECEIPTS	\$28,149,928	\$29,240,736	\$1,090,808	4%	\$112,599,711	\$110,249,866	(\$2,349,845)	(2%)
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	189,739	220,762	(31,023)	(16%)	758,954	750,149	8,805	1%
2 Anthem ASO Administration & Network Fees (PPO)	367,607	405,441	(37,834)	(10%)	1,470,430	1,464,272	6,158	0%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	186,195	172,783	13,412	7%	744,779	704,530	40,249	5%
4 GBS Consulting	124,236	128,187	(3,951)	(3%)	496,946	482,214	14,732	3%
5 SJVIA Administration	76,098	80,904	(4,806)	(6%)	304,392	300,700	3,692	1%
6 Wellness	180,371	204,066	(23,695)	(13%)	721,484	434,458	287,026	40%
7 Communications	16,078	24,108	(8,030)	(50%)	64,313	24,812	39,501	61%
8 Anthem HMO Pooling	389,804	399,424	(9,620)	(2%)	1,559,216	1,494,609	64,607	4%
9 Anthem HMO Administration/Retention	621,635	(536,836)	1,158,471	186%	2,486,542	2,375,756	110,786	4%
10 ACA Reinsurance (PPO & HMO)	242,210	0	242,210	100%	968,841	897,685	71,156	7%
TOTAL FIXED DISBURSEMENTS	2,393,973	1,098,839	1,295,134	54%	9,575,897	8,929,185	646,712	7%
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	16,737,383	19,754,166	(3,016,783)	(18%)	66,949,532	68,593,085	(1,643,553)	(2%)
12 Anthem MMP HMO Capitation	4,289,079	4,102,460	186,619	4%	17,156,317	16,615,129	541,188	3%
TOTAL CLAIMS DISBURSEMENTS	21,026,462	23,856,626	(2,830,164)	(13%)	84,105,849	85,208,214	(1,102,365)	(1%)
DISBURSEMENTS: Premiums								
13 Delta Dental	1,517,155	1,594,952	(77,797)	(5%)	6,068,619	6,042,446	26,173	0%
14 Vision Service Plan	240,724	238,198	2,526	1%	962,896	962,739	157	0%
15 Kaiser Permanente	3,762,766	4,779,619	(1,016,853)	(27%)	15,051,063	11,812,670	3,238,393	22%
TOTAL PREMIUM DISBURSEMENTS	5,520,645	6,612,769	(1,092,124)	(20%)	22,082,578	18,817,855	3,264,723	15%
TOTAL DISBURSEMENTS	28,941,080	31,568,234	(2,627,154)	(9%)	115,764,324	112,955,254	2,809,070	2%
16 Change in Reserve	(791,152)	(2,327,498)	(1,536,346)	(194%)	(3,164,613)	(2,705,388)	459,225	15%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$28,149,928	\$29,240,736	\$1,090,808	4%	\$112,599,711	\$110,249,866	(\$2,349,845)	(2%)

*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 AND TWELVE MONTHS ENDED JUNE 30, 2015

Current Quarter

Year-To-Date

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
\$83,397	\$276,761	\$16,829
42,082		
1,149		
21,071		
11,685		
4,917		
	204,066	
		24,108
80,904	204,066	24,108
\$2,493	\$72,695	(\$7,279)

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
\$300,778	\$682,470	\$62,315
110,592		
12,755		
112,652		
	30,278	
	17,685	
	16,738	
		434,458
		24,812
300,700	434,458	24,812
\$78	\$248,012	\$37,503

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

Change in Administration, Wellness & Communications Reserve

*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 Twelve Months Ended June 30, 2015

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
BEGINNING CASH BALANCES:													
Claims Funding Account	\$ 569,349	\$ 109,928	\$ 193,870	\$ 336,528	\$ 255,832	\$ 296,556	\$ 905,049	\$ 181,353	\$ 97,020	\$ 97,613	\$ 58,487	\$ 432,780	\$ 569,349
Fixed Cost Account	1,377,314	2,474,229	2,498,368	462,525	512,120	512,909	463,083	540,178	600,708	854,399	955,472	659,749	1,377,314
Claims Reserve Account	189,819	1,552,818	1,014,679	1,323,501	1,462,954	1,015,683	1,329,643	1,994,543	2,749,213	1,721,617	664,276	523,721	189,819
Investment Pool-Note 1	5,065,073	5,078,099	5,078,099	5,078,099	5,091,283	5,091,283	5,091,283	5,105,363	4,097,095	4,097,095	4,099,434	3,099,434	5,065,073
Total Beginning Balances	7,201,555	9,215,074	8,785,016	7,200,653	7,322,189	6,916,431	7,789,058	7,821,437	7,544,036	6,770,724	5,777,669	4,715,684	7,201,555
RECEIPTS:													
Claims Funding Account	5,605,961	3,690,907	5,333,659	4,704,825	2,729,226	4,145,820	3,466,902	2,906,333	4,919,412	5,673,825	4,089,946	4,790,349	52,057,165
Fixed Cost Account	4,062,691	3,188,275	3,192,934	5,247,769	1,863,897	4,219,169	2,371,605	5,631,673	4,460,902	3,257,761	5,431,551	4,847,733	47,775,960
Claims Reserve Account	9,385,605	5,498,291	8,002,374	8,288,178	4,346,196	6,901,305	6,593,791	8,673,567	7,606,888	7,301,209	8,529,817	8,991,022	90,118,243
Investment Pool	13,026	-	-	13,184	-	-	14,080	-	-	2,339	-	11,756	54,385
	19,067,283	12,377,473	16,528,967	18,253,956	8,939,319	15,266,294	12,446,378	17,211,573	16,987,202	16,235,134	18,051,314	18,640,860	190,005,753
DISBURSEMENTS:													
Claims Funding Account	6,065,382	3,606,965	5,191,001	4,785,521	2,688,502	3,537,327	4,190,598	2,990,666	4,918,819	5,712,951	3,715,653	4,967,611	52,370,996
Fixed Cost Account	2,965,776	3,164,136	5,228,777	5,198,174	1,863,108	4,268,995	2,294,510	5,571,143	4,207,211	3,156,688	5,727,274	4,545,003	48,190,795
Claims Reserve Account	8,022,606	6,036,430	7,693,552	8,148,725	4,793,467	6,587,345	5,928,891	7,918,897	8,634,484	8,358,550	8,670,372	8,787,952	89,581,271
Investment Pool	-	-	-	-	-	-	-	1,008,268	-	-	1,000,000	-	2,008,268
TOTAL DISBURSEMENTS	17,053,764	12,807,531	18,113,330	18,132,420	9,345,077	14,393,667	12,413,999	17,488,974	17,760,514	17,228,189	19,113,299	18,300,566	192,151,330
ENDING CASH BALANCES:													
Claims Funding Account	109,928	193,870	336,528	255,832	296,556	905,049	181,353	97,020	97,613	58,487	432,780	255,518	255,518
Fixed Cost Account	2,474,229	2,498,368	462,525	512,120	512,909	463,083	540,178	600,708	854,399	955,472	659,749	962,479	962,479
Claims Reserve Account	1,552,818	1,014,679	1,323,501	1,462,954	1,015,683	1,329,643	1,994,543	2,749,213	1,721,617	664,276	523,721	726,791	726,791
Investment Pool	5,078,099	5,078,099	5,078,099	5,091,283	5,091,283	5,091,283	5,105,363	4,097,095	4,097,095	4,099,434	3,099,434	3,111,190	3,111,190
Total Ending Balances	\$ 9,215,074	\$ 8,785,016	\$ 7,200,653	\$ 7,322,189	\$ 6,916,431	\$ 7,789,058	\$ 7,821,437	\$ 7,544,036	\$ 6,770,724	\$ 5,777,669	\$ 4,715,684	\$ 5,055,978	\$ 5,055,978

Note 1: The County of Fresno investment pool yield paid during the quarter ended 3/31/15 was 1.463% with quarterly earnings of \$14,095.

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.