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**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
February 6, 2015 9:00 AM**

AGENDA DATE: February 6, 2015

ITEM NUMBER: 7

SUBJECT: Receive and File SJVIA Executive Claims Summary through December 2014 (I)

REQUEST(S): That the Board Receive and File SJVIA Executive Claims Summary through December 2014

DESCRIPTION:

The attached report provides an overview of several key plan metrics and is used to identify trends and outliers. As requested by your board, a "Large Claims Report" has been included in the Monthly Claims Report (see page 3 of the Attachment). This summary details on-going claims that are over \$200,000 paid-to-date. The "pooling point" is the maximum amount the SJVIA could pay in a plan year for each individual on the plan. For historical purposes, the pooling point for the HMO plan is \$400,000 and the pooling point for the PPO plan is \$450,000. The pooling point for the HMO plan was increased from \$250,000 to \$400,000 in plan year 2013. When claims reach the pooling point the SJVIA is no longer liable for the payment of further eligible claims within the policy year.

In 2014, there were 11 claims that exceeded the pooling point for the HMO and 4 claims that exceeded the pooling point for the PPO. Together, these claims resulted in a reimbursement (savings) of \$2,742,241 to the SJVIA claims fund.

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In addition to the founding Counties (Fresno and Tulare), this report includes data for the following member entities (including effective date of participation):

- City of Tulare (July 2012)
- City of Ceres (January 2013)
- City of Waterford (June 2013)
- City of San Joaquin (July 2013)
- City of Shafter (July 2013)
- City of Sanger (July 2013)
- City of Gustine (October 2013)
- City of Riverbank (January 2014)
- City of Newman (January 2014)
- City of Reedley (January 2014)
- City of Wasco (January 2014)
- City of Farmersville (January 2014)

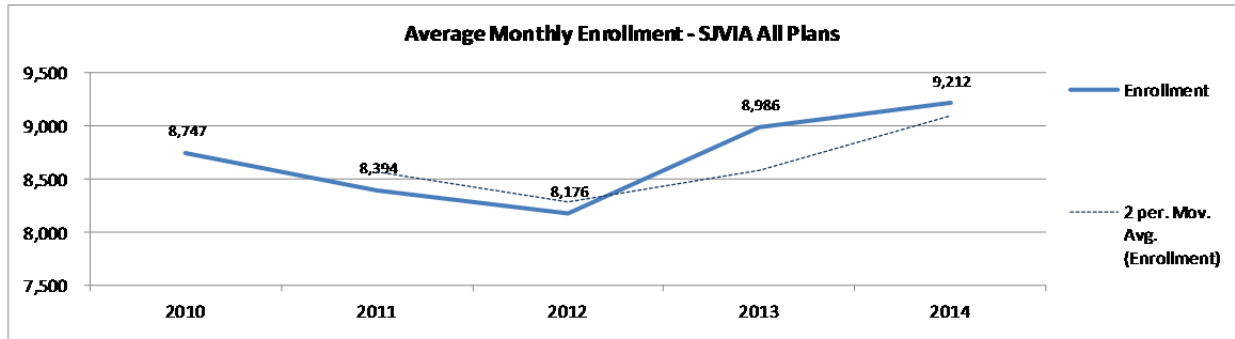
Comparing claims “Per Employee Per Month” (PEPM) can be a good indicator of overall medical inflationary trends. The overall yearly averages are below:

Plan Year	HMO	PPO	Overall
2010	<u>\$586.15</u> PEPM	<u>\$495.09</u> PEPM	<u>\$547.67</u> PEPM
2011	<u>\$681.06</u> PEPM	<u>\$553.64</u> PEPM	<u>\$628.33</u> PEPM
2012	<u>\$713.19</u> PEPM	<u>\$551.65</u> PEPM	<u>\$637.06</u> PEPM
2013	<u>\$783.07</u> PEPM	<u>\$517.95</u> PEPM	<u>\$667.02</u> PEPM
2014	<u>\$797.45</u> PEPM	<u>\$620.39</u> PEPM	<u>\$721.39</u> PEPM

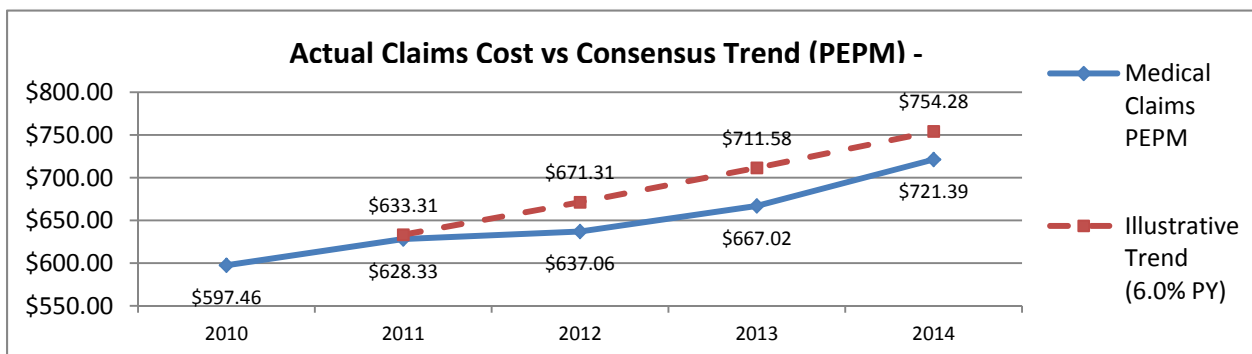
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The chart below shows average monthly enrollment in all SJVIA plans since inception. Enrollment dropped slightly in 2011 and 2012 but increased 9.9% in 2013 due to increased participation in the founding members' population as well as the addition of the new entities mentioned above. Membership continued to grow in 2014 as a result of new entities joining the SJVIA.



The chart below shows actual claims costs (Per Employee Per Month) for all of the SJVIA plans. These values are represented by the blue line with corresponding average claims from the table above. For illustrative purposes, we have included a consensus trend line (red line) that represents a level, year over year, 6% medical inflationary trend assumption. The differential between these two lines demonstrates the savings the SJVIA has realized over a normal, consensus medical trend assumption.



Overall weighted annual medical claims trend since inception of the SJVIA has been 4.85%

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FISCAL IMPACT/FINANCING:

Informational only.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager