



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

Meeting Location:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
July 17, 2015
9:00 AM

AGENDA DATE: July 17, 2015

ITEM NUMBER: 7

SUBJECT: Quarterly SJVIA financial update

REQUEST(S): That the Board receives the financial update through 3rd 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 NINE MONTHS ENDED MARCH 31, 2015

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%
RECEIPTS								
TOTAL RECEIPTS	\$28,149,928	\$28,475,697	\$325,769	1%	\$84,449,783	\$80,533,256	(\$3,916,527)	(5%)
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	189,739	203,483	(13,744)	(7%)	569,216	529,387	39,829	7%
2 Anthem ASO Administration & Network Fees (PPO)	367,607	368,910	(1,303)	(0%)	1,102,822	1,058,831	43,991	4%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	186,195	165,482	20,713	11%	558,584	531,747	26,837	5%
4 GBS Consulting	124,236	121,272	2,964	2%	372,709	354,028	18,681	5%
5 SJVIA Administration	76,098	76,941	(843)	(1%)	228,294	219,794	8,500	4%
6 Wellness	180,371	366,662	(186,291)	(103%)	541,113	385,662	155,451	29%
7 Communications	16,078	44	16,034	100%	48,235	704	47,531	99%
8 Anthem HMO Pooling	389,804	383,060	6,744	2%	1,169,412	1,095,185	74,227	6%
9 Anthem HMO Administration/Retention	621,635	670,604	(48,969)	(8%)	1,864,906	2,912,593	(1,047,687)	(56%)
10 ACA Reinsurance (PPO & HMO)	242,210	865,859	(623,649)	(257%)	726,631	897,685	(171,054)	(24%)
TOTAL FIXED DISBURSEMENTS	2,393,973	3,222,317	(828,344)	(35%)	7,181,922	7,985,616	(803,694)	(11%)
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	16,737,383	17,297,101	(559,718)	(3%)	50,212,149	48,683,647	1,528,502	3%
12 Anthem MMP HMO Capitation	4,289,079	4,038,065	251,014	6%	12,867,237	12,512,670	354,567	3%
TOTAL CLAIMS DISBURSEMENTS	21,026,462	21,335,166	(308,704)	(1%)	63,079,386	61,196,317	1,883,069	3%
DISBURSEMENTS: Premiums								
13 Delta Dental	1,517,155	1,430,183	86,972	6%	4,551,464	4,447,494	103,970	2%
14 Vision Service Plan	240,724	227,319	13,405	6%	722,172	724,541	(2,369)	(0%)
15 Kaiser Permanente	3,762,766	4,121,544	(358,778)	(10%)	11,288,297	7,033,052	4,255,245	38%
TOTAL PREMIUM DISBURSEMENTS	5,520,645	5,779,046	(258,401)	(5%)	16,561,933	12,205,087	4,356,846	26%
TOTAL DISBURSEMENTS	28,941,080	30,336,529	(1,395,449)	(5%)	86,823,241	81,387,020	5,436,221	6%
16 Change in Reserve	(791,152)	(1,860,832)	(1,069,680)	(135%)	(2,373,458)	(853,764)	1,519,694	64%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$28,149,928	\$28,475,697	\$325,769	1%	\$84,449,783	\$80,533,256	(\$3,916,527)	(5%)

*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 NINE MONTHS ENDED MARCH 31, 2015

Current Quarter

Year-To-Date

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
\$80,665	\$245,553	\$15,781
19,929		
2,500		
44,343		
6,000		
4,169		
	366,662	
		44
76,941	366,662	44
\$3,724	(\$121,109)	\$15,737

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
\$215,437	\$401,577	\$45,243
68,511		
11,606		
91,581		
	30,278	
	6,000	
	11,818	
		385,662
		704
219,794	385,662	704
(\$4,357)	\$15,915	\$44,539

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 Nine Months Ended March 31, 2015

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	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	\$ 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	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	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	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	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	37,503,045
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	34,238,915
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	65,296,195
Investment Pool	13,026	-	-	13,184			14,080			40,290
	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	137,078,445
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	37,974,781
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	34,761,830
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	63,764,397
Investment Pool	-	-	-					1,008,268		1,008,268
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	137,509,276
ENDING CASH BALANCES:										
Claims Funding Account	109,928	193,870	336,528	255,832	296,556	905,049	181,353	97,020	97,613	97,613
Fixed Cost Account	2,474,229	2,498,368	462,525	512,120	512,909	463,083	540,178	600,708	854,399	854,399
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	1,721,617
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	4,097,095
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	\$ 6,770,724

Note 1: The SJVIA transferred a \$5 million investment from the County of Tulare investment pool into the County of Fresno investment pool on January 2015 to obtain a higher yield. The County of Tulare yield paid during the quarter ended 3/31/15 was 1.10% with quarterly earnings of \$14,080. The County of Fresno interest for the quarter ended 3/31/15 will be paid next quarter.

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.