

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY****ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016**

	Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
<b>RECEIPTS</b>				
<b>TOTAL RECEIPTS</b>	<b>\$35,673,199</b>	<b>\$43,819,652</b>	<b>\$8,146,453</b>	<b>23%</b>
<b>DISBURSEMENTS: Fixed</b>				
1 Specific & Aggregate Stop Loss Insurance (PPO)	281,269	302,468	(21,199)	(8%)
2 Anthem ASO Administration & Network Fees (PPO)	467,971	514,026	(46,055)	(10%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	197,215	188,764	8,451	4%
4 GBS Consulting	139,814	139,867	(53)	(0%)
5 SJVIA Administration	99,525	98,364	1,161	1%
6 Wellness	94,815	0	94,815	100%
7 Communications	18,963	0	18,963	100%
8 Anthem HMO Pooling	378,255	327,458	50,797	13%
9 Anthem HMO Administration/Retention	561,572	524,115	37,457	7%
10 ACA Reinsurance (PPO & HMO)	174,568	34,687	139,881	80%
<b>TOTAL FIXED DISBURSEMENTS</b>	<b>2,413,967</b>	<b>2,129,749</b>	<b>284,218</b>	<b>12%</b>
<b>DISBURSEMENTS: Claims</b>				
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,595,751	25,638,894	(5,043,143)	(24%)
12 Anthem MMP HMO Capitation	4,131,451	3,833,031	298,420	7%
<b>TOTAL CLAIMS DISBURSEMENTS</b>	<b>24,727,202</b>	<b>29,471,925</b>	<b>(4,744,723)</b>	<b>(19%)</b>
<b>DISBURSEMENTS: Premiums</b>				
13 Delta Dental	1,550,647	1,778,132	(227,485)	(15%)
14 Vision Service Plan	281,180	274,980	6,200	2%
15 Kaiser Permanente	6,451,208	6,710,805	(259,597)	(4%)
<b>TOTAL PREMIUM DISBURSEMENTS</b>	<b>8,283,035</b>	<b>8,763,917</b>	<b>(480,882)</b>	<b>(6%)</b>
<b>TOTAL DISBURSEMENTS</b>	<b>35,424,204</b>	<b>40,365,591</b>	<b>(4,941,387)</b>	<b>(14%)</b>
16 Change in Reserve	248,995	3,454,061	3,205,066	(1287%)
<b>COMBINED DISBURSEMENTS &amp; CHANGES IN RESERVES</b>	<b>\$35,673,199</b>	<b>\$43,819,652</b>	<b>\$8,146,453</b>	<b>23%</b>

\*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, 2016**

Year-To-Date

**FY15-16**

**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)
\$106,004	\$101,142	\$20,617
20,336		
1,958		
34,682		
36,604		
4,784		
98,364		
\$7,640	\$101,142	\$20,617

\*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), \$2.50 for wellness & \$.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 2016**

	JULY	AUGUST	SEPTEMBER	TOTAL
BEGINNING CASH BALANCES:				
Claims Funding Account (294)	\$ 261,690	\$ 559,023	\$ 546,480	\$ 261,690
Claims Main Account (819)	849,465	3,586,175	4,429,532	849,465
Investment Pool-Note 1	400	461	461	400
Total Beginning Balances	1,111,555	4,145,659	4,976,473	1,111,555
RECEIPTS:				
Claims Funding Account (294)	6,327,038	5,836,353	5,701,978	17,865,369
Claims Main Account (819)	15,989,861	15,659,273	12,051,686	43,700,820
Investment Pool	61		330	391
	22,316,960	21,495,626	17,753,994	61,566,580
DISBURSEMENTS:				
Claims Funding Account (294)	6,029,705	5,848,896	5,700,348	17,578,949
Claims Main Account (819)	13,253,151	14,815,916	12,917,669	40,986,736
Investment Pool			791	791
TOTAL DISBURSEMENTS	19,282,856	20,664,812	18,618,808	58,566,476
ENDING CASH BALANCES:				
Claims Funding Account (294)	559,023	546,480	548,110	548,110
Claims Main Account (819)	3,586,175	4,429,532	3,563,549	3,563,549
Investment Pool	461	461	-	-
Total Ending Balances	\$ 4,145,659	\$ 4,976,473	\$ 4,111,659	\$ 4,111,659

Note 1: The County of Fresno investment pool yield paid during the quarter ended 9/30/16 was 1.355% with quarterly earnings of \$391.

## 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". These are administrative services for the PPO plans. This definition includes Anthem Blue Cross & Health Now Administrative Services administration fees and includes access fees to use the Anthem Blue Cross & Blue Shield networks of providers. These services do not include the Anthem HMO plan.
- 3 **Chimienti Associates/Hourglass Administration (Anthem & 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.
- 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**

These fees 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. It includes the association fee and the non-founding member fee which is assessed to non-founding member entities.
- 6 **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.
- 7 **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.
- 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**

These are Anthem Blue Cross administration fees and include access fees to use the Blue Cross network of providers for the HMO plan.
- 10 **ACA Reinsurance/PCORI (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 for PPO & \$2.08 per covered member per year on HMO. 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 for both PPO & HMO.
- 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.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**FRESNO, CALIFORNIA**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 1,605,607
Due from other governmental units	6,566,743
Other receivable	853,460
Investment income receivable	14,662
Prepaid expenses	56,345
Total current assets	<u>9,096,817</u>

Noncurrent assets:

Other receivables	1,071,670
Investments	3,130,204
Total noncurrent assets	<u>4,201,874</u>
Total assets	<u>13,298,691</u>

**LIABILITIES**

Current liabilities:

Accounts payable	2,509,667
Unearned member contributions	651,196
Due to other governmental units	466,808
Unpaid claims and claims adjustment expenses	11,538,359
Total current liabilities	<u>15,166,030</u>

Noncurrent liabilities:

Due to other governmental units	954,162
Unpaid claims and claims adjustment expenses	159,920
Total noncurrent liabilities	<u>1,114,082</u>
Total liabilities	<u>16,280,112</u>

**NET POSITION**

Unrestricted	(2,981,421)
Total net position	<u>\$ (2,981,421)</u>

The notes to the financial statements are an integral part of this statement.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**FRESNO, CALIFORNIA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Operating revenues:</b>	
Member contributions	\$ 87,409,087
Total operating revenues	<u>87,409,087</u>
<b>Operating expenses:</b>	
Claims and claims adjustment expenses	88,065,852
Administrative expenses	6,917,501
Total operating expenses	<u>94,983,353</u>
<b>Operating income(loss)</b>	<u>(7,574,266)</u>
<b>Non-operating revenues:</b>	
Investment income	44,029
Total non-operating revenues	<u>44,029</u>
<b>Change in net position</b>	(7,530,237)
Net position, beginning of year	4,548,816
Net position, end of year	<u>\$ (2,981,421)</u>

The notes to the financial statements are an integral part of this statement.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**FRESNO, CALIFORNIA**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Cash flows from operating activities:</b>	
Cash received from members	\$ 110,784,723
Cash received from refunds	2,832,372
Cash paid to vendors	(28,000,915)
Cash paid for claims	(87,637,922)
Net cash provided by (used in ) operating activities	<u>(2,021,742)</u>
<b>Cash flows from investing activities:</b>	
Liquidation of investments	<u>2,008,268</u>
Net cash provided by (used in ) investing activities	2,008,268
<b>Net increase (decrease) in cash and cash equivalents</b>	(13,474)
<b>Cash and cash equivalents - beginning</b>	<u>1,619,081</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 1,605,607</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>	
<b>Operating income (loss)</b>	\$ (7,574,266)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>	
(Increase) decrease in due from other governmental units	985,875
(Increase) decrease in other receivables	2,000,586
(Increase) decrease in deposits receivable	531,692
(Increase) decrease in prepaid expenses	(13,516)
Increase (decrease) in unearned member contributions	407,551
Increase (decrease) in accounts payable	409,490
Increase (decrease) in due to other governmental units	(28,870)
Increase (decrease) in unpaid claims & claims adjustment expenses	<u>1,259,716</u>
Total adjustments	<u>5,552,524</u>
Net cash provided by (used in) operating activities	<u><u>\$ (2,021,742)</u></u>
<b>Noncash investing activities</b>	
Changes in unrealized gains (loss) on investments	\$ (11,992)
Investment income	<u>56,021</u>
Total noncash investing activities	<u><u>\$ 44,029</u></u>

The notes to the financial statements are an integral part of this statement.