

# San Joaquin Valley Insurance Authority

Cash Flow Projections and Update

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presented by

Lawrence Seymour

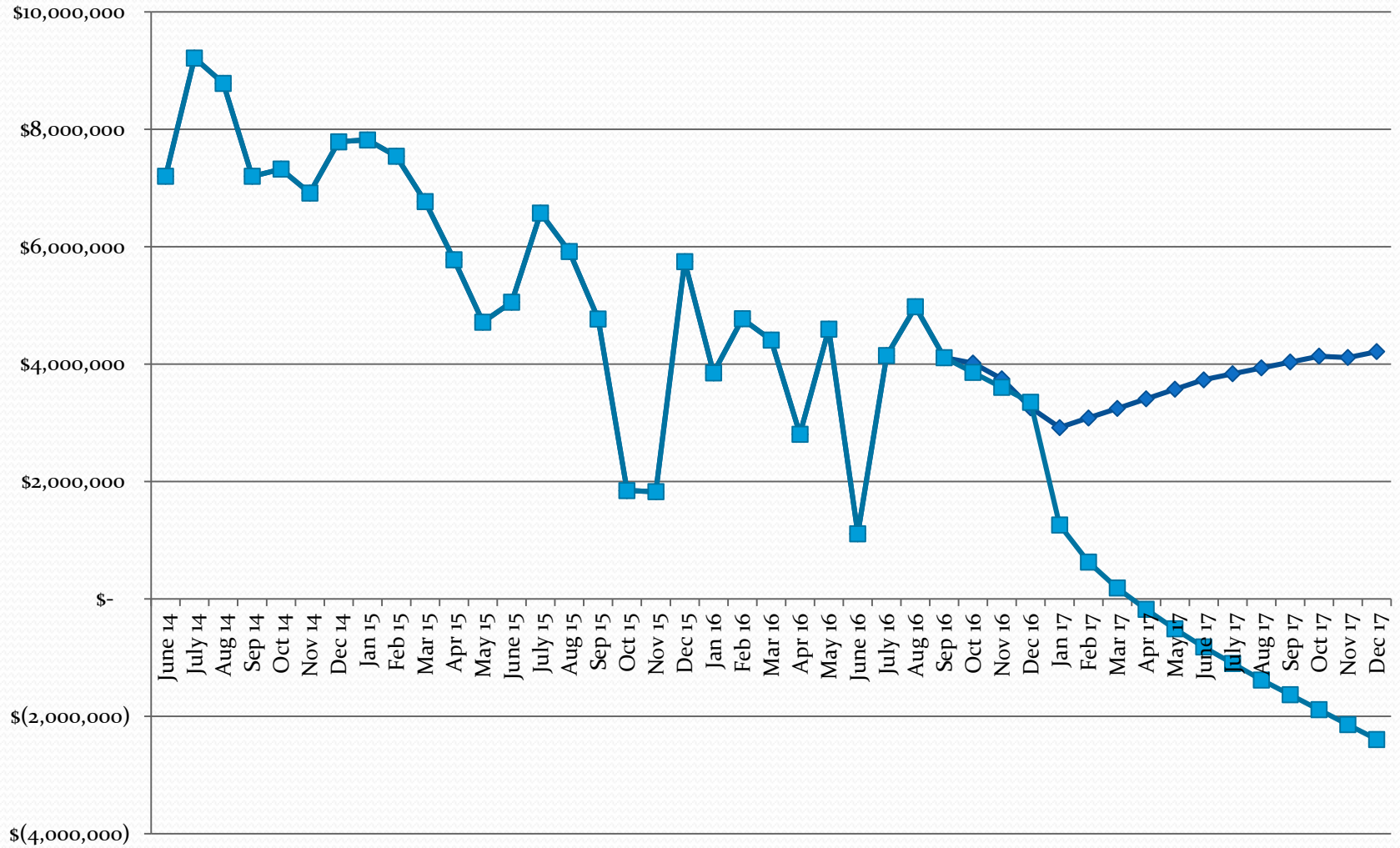
# Data and Projections

- Used actual cash basis receipts and disbursements for the period July 1, 2014 through September 30, 2016
  - Upper Projection: The period of October 1, 2016 through December 2017 projected using draft 2016-17 Budget – Does not include effects of open enrollment, plan migration, or departing entities and associated claims run out
  - Lower Projection: The period of October, 2016 through December 2017 projected using 24 month average of month over month change in cash balances
    - Removed the effect of non-recurrent receipts or disbursements

# Data and Projections (cont.)

- July 2014 Cash Balance \$9,215,074
- 2015 - Transferred \$5,000,000 from investment account to cover claims cost
- 2016 – Several agencies paying in advance
- 2016 - Loan of \$2.0 million from County of Fresno
- 2016 – CoF went from paying in arrears to in advance...resulted in a \$4.8 million infusion to cash
- Average month over month change in cash from July 2014 through June 2016 = \$(253,750)
  - Updated every 6 months as actual data becomes available
- June 2016 Cash Balance \$1,111,554
  - October 27, 2016 Cash Balance \$3,758,260

# Cash Flow Projections



◆ Actuals through 09/2016, GBS Budgets used to project out to December 2017

■ Actuals through 09/2016, Average gain/loss used to project out to December 2017

# Current Cash Flow Challenges

- 15 Entities have noticed SJVIA of terminations effective 1/1/17
  - Represents about 1/5<sup>th</sup> SJVIA business
  - Approximately 33% Kaiser, remainder either HMO or PPO
  - Potential of upwards of \$2.7 million in associated claims run-out...Majority (82%) expected to be paid in the first two months of calendar year 2017
  - Four of the entities leaving are currently paid in advance, thus final payments from the entities are expected in November...represents approximately \$390 thousand in prepayments as of October 27, 2016

# Current Cash Flow Challenges

- Current Available Cash Balance:
  - \$3.8 million
- Outstanding Liabilities:
  - \$2 million loan
  - Approximately \$3 million in advanced payments from various SJVIA participants
- Result:
  - Currently there are approximately \$1.32 of outstanding liabilities and or claims for each \$1.00 SJVIA has as available cash