



**BOARD OF DIRECTORS**

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**Meeting Location:  
Fresno County Employees' Retirement  
Association Board Chambers  
1111 H Street  
Fresno, CA 93721  
December 8, 2016 9:00 AM**

**AGENDA DATE:** December 8, 2016

**ITEM NUMBER:** Item 12

**SUBJECT:** Approve Proposed Participation Agreement Revisions and Authorize President to Execute SJVIA Participation Agreements and Amendments to SJVIA Participation Agreements, as needed, Effective January 1, 2017 (A)

**REQUEST(S):** That the Board approve the recommended revisions to the SJVIA participation agreements for new and continuing entities

**DESCRIPTION:**

Each entity that participates in the SJVIA's program offerings currently executes a participation agreement with the SJVIA. Participating entities may participate in a variety of SJVIA programs including medical HMO and PPO options through Anthem Blue Cross and Kaiser; dental options through Delta Dental of California; and vision options through Vision Service Plan. The participation agreements that are presented to and signed by non-founding entities have a term of three years. Those presented to the founding entities have a term of one year. Each participation agreement includes exhibits that cover the programs the entity has chosen and the benefits and rates that apply to those programs.

Each year at renewal, all SJVIA plans are reviewed and underwritten to cover anticipated costs for the upcoming plan year. Also at renewal, all participating entities have the opportunity to elect or opt out of ancillary programs. That, along with rate changes, creates the need to amend the exhibits attached to each participation agreement for participating entities who are still within the term of their participation agreement. For the entities whose participation agreement is expiring, a new participation agreement is necessary.

**AGENDA:** San Joaquin Valley Insurance Authority

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As part of the January 1, 2017 renewal process, it became apparent that the current participation agreement should be revised to clarify the respective obligations of the SJVIA and each participating entity. As well, the most recent revision of the Joint Exercise of Powers Agreement creating the SJVIA (effective January 1, 2016) includes some additional requirements for participation agreements that the current template (last revised in 2014) does not include. Staff is recommending that the participation agreement template for new entities, or continuing entities once the term of their current agreement expires, be revised to accomplish those purposes.

Staff originally presented a revised participation agreement template on October 28. Because the Board determined that affected participating entities had not received sufficient time for review, the Board directed staff to confer with participating entities. Staff provided the draft revised agreement template to the participating entities and invited comments. Several entities submitted comments. Staff and SJVIA counsel considered those comments and made several changes to the proposed agreements. Those changes include:

- Simplifying the premium payment due date to allow for a single payment by each participating entity each month
- Clarifying that participating entities are not required to disclose information whose disclosure is prohibited by law
- Providing that the SJVIA will make reasonable efforts to adopt renewal rates at least 120 days before the beginning of the plan year
- Providing that documents of the SJVIA will be available to participating entities for purposes of audits and inspections, subject to legal prohibitions on disclosure
- Providing dispute resolution procedures that are similar to what participation agreements have previously provided

For the two entities currently participating in programs under the SJVIA with Participation Agreements that have not yet expired, staff requests direction to give those entities the option to execute an amendment that incorporates the new terms required by the Joint Exercise of Powers Agreement, or to terminate their current Participation Agreement and enter into a new one, effective January 1, 2017, using the new template.

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**FISCAL IMPACT/FINANCING:**

None.

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Rhonda Sjostrom  
SJVIA Assistant Manager