



# SJVIA

San Joaquin Valley  
Insurance Authority

**BOARD OF DIRECTORS**

ANDREAS BORGEAS

MIKE ENNIS

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J. STEVEN WORTHLEY

Meeting Location:  
Fresno County Employee Retirement  
Association Board Chambers  
1111 H Street  
Fresno, CA 93721  
March 18, 2016  
9:00 AM

**AGENDA DATE:**

March 18, 2016

**ITEM NUMBER:**

8

**SUBJECT:**

Quarterly SJVIA financial update

**REQUEST(S):**

That the Board receives the financial update through 2nd quarter,  
2015-16

**DESCRIPTION:** Informational item. Please see attached report.

**FISCAL IMPACT/FINANCING:** None.

**ADMINISTRATIVE SIGN-OFF:**

Vicki Crow  
SJVIA Auditor-Treasurer

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2015**

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
<b>RECEIPTS</b>								
<b>TOTAL RECEIPTS</b>	<b>\$36,183,822</b>	<b>\$40,244,943</b>	<b>\$4,061,121</b>	<b>11%</b>	<b>\$72,367,644</b>	<b>\$75,529,373</b>	<b>\$3,161,729</b>	<b>4%</b>
<b>DISBURSEMENTS: Fixed</b>								
1 Specific & Aggregate Stop Loss Insurance (PPO)	273,116	270,767	2,349	1%	546,232	522,428	23,804	4%
2 Anthem ASO Administration & Network Fees (PPO)	459,806	539,568	(79,762)	(17%)	919,611	1,044,252	(124,641)	(14%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	195,843	205,567	(9,724)	(5%)	391,685	394,284	(2,599)	(1%)
4 GBS Consulting	139,076	151,959	(12,883)	(9%)	278,153	291,744	(13,591)	(5%)
5 SJVIA Administration	98,430	42,262	56,168	57%	196,860	144,917	51,943	26%
6 Wellness	311,109	177,442	133,667	43%	622,218	427,877	194,341	31%
7 Communications	18,831	0	18,831	100%	37,662	0	37,662	100%
8 Anthem HMO Pooling	404,462	442,434	(37,972)	(9%)	808,924	871,890	(62,966)	(8%)
9 Anthem HMO Administration/Retention	603,033	613,389	(10,356)	(2%)	1,206,065	1,208,829	(2,764)	(0%)
10 ACA Reinsurance (PPO & HMO)	178,561	173,172	5,389	3%	357,122	208,422	148,700	42%
<b>TOTAL FIXED DISBURSEMENTS</b>	<b>2,682,267</b>	<b>2,616,560</b>	<b>65,707</b>	<b>2%</b>	<b>5,364,532</b>	<b>5,114,643</b>	<b>249,889</b>	<b>5%</b>
<b>DISBURSEMENTS: Claims</b>								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,360,469	26,281,498	(5,921,029)	(29%)	40,720,938	49,075,342	(8,354,404)	(21%)
12 Anthem MMP HMO Capitation	4,434,901	4,538,667	(103,766)	(2%)	8,869,801	8,944,252	(74,451)	(1%)
<b>TOTAL CLAIMS DISBURSEMENTS</b>	<b>24,795,370</b>	<b>30,820,165</b>	<b>(6,024,795)</b>	<b>(24%)</b>	<b>49,590,739</b>	<b>58,019,594</b>	<b>(8,428,855)</b>	<b>(17%)</b>
<b>DISBURSEMENTS: Premiums</b>								
13 Delta Dental	1,692,664	1,919,197	(226,533)	(13%)	3,385,327	3,686,606	(301,279)	(9%)
14 Vision Service Plan	330,107	295,649	34,458	10%	660,215	571,157	89,058	13%
15 Kaiser Permanente	5,899,185	6,206,995	(307,810)	(5%)	11,798,370	10,901,323	897,047	8%
<b>TOTAL PREMIUM DISBURSEMENTS</b>	<b>7,921,956</b>	<b>8,421,841</b>	<b>(499,885)</b>	<b>(6%)</b>	<b>15,843,912</b>	<b>15,159,086</b>	<b>684,826</b>	<b>4%</b>
<b>TOTAL DISBURSEMENTS</b>	<b>35,399,593</b>	<b>41,858,566</b>	<b>(6,458,973)</b>	<b>(18%)</b>	<b>70,799,183</b>	<b>78,293,323</b>	<b>(7,494,140)</b>	<b>(11%)</b>
16 Change in Reserve	784,229	(1,613,623)	(2,397,852)	306%	1,568,461	(2,763,950)	(4,332,411)	276%
<b>COMBINED DISBURSEMENTS &amp; CHANGES IN RESERVES</b>	<b>\$36,183,822</b>	<b>\$40,244,943</b>	<b>\$4,061,121</b>	<b>11%</b>	<b>\$72,367,644</b>	<b>\$75,529,373</b>	<b>\$3,161,729</b>	<b>4%</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 AND SIX MONTHS ENDED DECEMBER 31, 2015**

	Current Quarter			Year-To-Date		
	SJVIA FEES			SJVIA FEES		
	Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)	Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
<b>FY15-16</b>						
<b>Receipts**</b>	\$116,247	\$429,018	\$22,301	\$226,698	\$751,155	\$49,964
<b>Disbursements:</b>						
Auditor-Treasurer Services				8,551		
County Counsel Services				1,636		
Personnel Services	6,720			57,457		
Membership Fees						
Insurance (Liability, Bond, Etc)	30,115			66,719		
Audit Fees						
Bank Service Fees	5,427			10,553		
Wellness		177,442			427,877	
Communications						
<b>Total Disbursements</b>	<b>42,262</b>	<b>177,442</b>		<b>144,917</b>	<b>427,877</b>	
<b>Change in Administration, Wellness &amp; Communications Reserve</b>	<b>\$73,985</b>	<b>\$251,576</b>	<b>\$22,301</b>	<b>\$81,781</b>	<b>\$323,278</b>	<b>\$49,964</b>

\*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 Six Months Ended December 31, 2015**

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
<b>BEGINNING CASH BALANCES:</b>							
Claims Funding Account	\$ 255,518	\$ 358,018	\$ 725,672	\$ 701,149	\$ 173,361	\$ 451,022	\$ 255,518
Fixed Cost Account	962,479	1,084,176	1,188,032	1,878,492	247,705	627,123	962,479
Claims Reserve Account	726,791	2,019,732	889,905	1,067,064	300,837	621,538	726,791
Investment Pool-Note 1	3,111,190	3,113,257	3,113,257	1,123,875	1,126,093	126,093	3,111,190
<b>Total Beginning Balances</b>	<b>5,055,978</b>	<b>6,575,183</b>	<b>5,916,866</b>	<b>4,770,580</b>	<b>1,847,996</b>	<b>1,825,776</b>	<b>5,055,978</b>
<b>RECEIPTS:</b>							
Claims Funding Account	5,458,470	6,197,585	5,777,556	6,256,995	6,237,840	6,488,465	36,416,911
Fixed Cost Account	5,476,988	5,056,322	4,467,807	4,701,234	6,645,574	3,937,764	30,285,689
Claims Reserve Account	10,537,501	8,604,557	10,352,117	10,904,299	11,726,242	13,613,566	65,738,282
Investment Pool	2,067		10,618	2,218		9,780	24,683
	21,475,026	19,858,464	20,608,098	21,864,746	24,609,656	24,049,575	132,465,565
<b>DISBURSEMENTS:</b>							
Claims Funding Account	5,355,970	5,829,931	5,802,079	6,784,783	5,960,179	6,230,296	35,963,238
Fixed Cost Account	5,355,291	4,952,466	3,777,347	6,332,021	6,266,156	3,817,772	30,501,053
Claims Reserve Account	9,244,560	9,734,384	10,174,958	11,670,526	11,405,541	10,079,881	62,309,850
Investment Pool		-	2,000,000		1,000,000		3,000,000
<b>TOTAL DISBURSEMENTS</b>	<b>19,955,821</b>	<b>20,516,781</b>	<b>21,754,384</b>	<b>24,787,330</b>	<b>24,631,876</b>	<b>20,127,949</b>	<b>131,774,141</b>
<b>ENDING CASH BALANCES:</b>							
Claims Funding Account	358,018	725,672	701,149	173,361	451,022	709,191	709,191
Fixed Cost Account	1,084,176	1,188,032	1,878,492	247,705	627,123	747,115	747,115
Claims Reserve Account	2,019,732	889,905	1,067,064	300,837	621,538	4,155,223	4,155,223
Investment Pool	3,113,257	3,113,257	1,123,875	1,126,093	126,093	135,873	135,873
<b>Total Ending Balances</b>	<b>\$ 6,575,183</b>	<b>\$ 5,916,866</b>	<b>\$ 4,770,580</b>	<b>\$ 1,847,996</b>	<b>\$ 1,825,776</b>	<b>\$ 5,747,402</b>	<b>\$ 5,747,402</b>

Note 1: The County of Fresno investment pool yield paid during the quarter ended 9/30/15 was 1.412% with quarterly earnings of \$11,998.

## 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.