



# SJVIA

San Joaquin Valley  
Insurance Authority

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

Meeting Location:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93921  
April 29, 2016  
10 :00 AM

**AGENDA DATE:**

April 29, 2016

**ITEM NUMBER:**

9

**SUBJECT:**

Quarterly SJVIA financial update

**REQUEST(S):**

That the Board receives the financial update through 3rd quarter,  
2015-16

**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, 2016**

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
<b>RECEIPTS</b>								
<b>TOTAL RECEIPTS</b>	<b>\$35,673,199</b>	<b>\$36,246,504</b>	<b>\$573,305</b>	<b>2%</b>	<b>\$107,019,596</b>	<b>\$111,797,062</b>	<b>\$4,777,466</b>	<b>4%</b>
<b>DISBURSEMENTS: Fixed</b>								
1 Specific & Aggregate Stop Loss Insurance (PPO)	281,269	311,922	(30,653)	(11%)	843,806	834,350	9,456	1%
2 Anthem ASO Administration & Network Fees (PPO)	467,971	533,297	(65,326)	(14%)	1,403,912	1,577,548	(173,636)	(12%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	197,215	204,947	(7,732)	(4%)	591,646	599,231	(7,585)	(1%)
4 GBS Consulting	139,814	152,786	(12,972)	(9%)	419,442	444,531	(25,089)	(6%)
5 SJVIA Administration	99,525	105,114	(5,589)	(6%)	298,575	250,032	48,543	16%
6 Wellness	94,815	41,911	52,904	56%	284,445	469,789	(185,344)	(65%)
7 Communications	18,963	0	18,963	100%	56,889	0	56,889	100%
8 Anthem HMO Pooling	378,255	382,888	(4,633)	(1%)	1,134,764	1,254,779	(120,015)	(11%)
9 Anthem HMO Administration/Retention	561,572	600,694	(39,122)	(7%)	1,684,715	1,809,523	(124,808)	(7%)
10 ACA Reinsurance (PPO & HMO)	174,568	521,054	(346,486)	(198%)	523,703	729,476	(205,773)	(39%)
<b>TOTAL FIXED DISBURSEMENTS</b>	<b>2,413,967</b>	<b>2,854,613</b>	<b>(440,646)</b>	<b>(18%)</b>	<b>7,241,897</b>	<b>7,969,259</b>	<b>(727,362)</b>	<b>(10%)</b>
<b>DISBURSEMENTS: Claims</b>								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,595,751	21,269,587	(673,836)	(3%)	61,787,252	70,344,929	(8,557,677)	(14%)
12 Anthem MMP HMO Capitation	4,131,451	4,399,834	(268,383)	(6%)	12,394,352	13,344,086	(949,734)	(8%)
<b>TOTAL CLAIMS DISBURSEMENTS</b>	<b>24,727,202</b>	<b>25,669,421</b>	<b>(942,219)</b>	<b>(4%)</b>	<b>74,181,604</b>	<b>83,689,015</b>	<b>(9,507,411)</b>	<b>(13%)</b>
<b>DISBURSEMENTS: Premiums</b>								
13 Delta Dental	1,550,647	992,092	558,555	36%	4,651,941	4,678,698	(26,757)	(1%)
14 Vision Service Plan	281,180	284,386	(3,206)	(1%)	843,539	855,543	(12,004)	(1%)
15 Kaiser Permanente	6,451,208	7,515,837	(1,064,629)	(17%)	19,353,623	18,417,161	936,462	5%
<b>TOTAL PREMIUM DISBURSEMENTS</b>	<b>8,283,035</b>	<b>8,792,315</b>	<b>(509,280)</b>	<b>(6%)</b>	<b>24,849,103</b>	<b>23,951,402</b>	<b>897,701</b>	<b>4%</b>
<b>TOTAL DISBURSEMENTS</b>	<b>35,424,204</b>	<b>37,316,349</b>	<b>(1,892,145)</b>	<b>(5%)</b>	<b>106,272,604</b>	<b>115,609,676</b>	<b>(9,337,072)</b>	<b>(9%)</b>
16 Change in Reserve	248,995	(1,069,845)	(1,318,840)	530%	746,992	(3,812,614)	(4,559,606)	610%
<b>COMBINED DISBURSEMENTS &amp; CHANGES IN RESERVES</b>	<b>\$35,673,199</b>	<b>\$36,246,504</b>	<b>\$573,305</b>	<b>2%</b>	<b>\$107,019,596</b>	<b>\$111,797,062</b>	<b>\$4,777,466</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 NINE MONTHS ENDED MARCH 31, 2016**

	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>	<b>\$99,601</b>	<b>\$109,143</b>	<b>\$18,940</b>	<b>\$326,252</b>	<b>\$762,483</b>	<b>\$68,907</b>
<b>Disbursements:</b>						
Auditor-Treasurer Services				8,551		
County Counsel Services	778			2,415		
Personnel Services	97,199			154,656		
Membership Fees						
Insurance (Liability, Bond, Etc)				66,719		
Audit Fees	2,200			2,200		
Bank Service Fees	4,937			15,491		
Wellness		41,911			469,789	
Communications						
<b>Total Disbursements</b>	<b>105,114</b>	<b>41,911</b>		<b>250,032</b>	<b>469,789</b>	
<b>Change in Administration, Wellness &amp; Communications Reserve</b>	<b>(\$5,513)</b>	<b>\$67,232</b>	<b>\$18,940</b>	<b>\$76,220</b>	<b>\$292,694</b>	<b>\$68,907</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), \$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 Nine Months Ended March 2016**

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
<b>BEGINNING CASH BALANCES:</b>										
Claims Funding Account	\$ 255,518	\$ 358,018	\$ 725,672	\$ 701,149	\$ 173,361	\$ 451,022	\$ 709,191	\$ 384,751	\$ 404,977	\$ 255,518
Fixed Cost Account	962,479	1,084,176	1,188,032	1,878,492	247,705	627,123	747,115	363,898	359,973	962,479
Claims Reserve Account	726,791	2,019,732	889,905	1,067,064	300,837	621,538	4,155,223	2,964,772	3,869,933	726,791
Investment Pool-Note 1	3,111,190	3,113,257	3,113,257	1,123,875	1,126,093	126,093	135,873	138,322	138,322	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>5,747,402</b>	<b>3,851,743</b>	<b>4,773,205</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	4,070,715	4,945,519	5,622,034	51,055,179
Fixed Cost Account	5,476,988	5,056,322	4,467,807	4,701,234	6,645,574	3,937,764	4,631,475	4,942,634	6,225,053	46,084,851
Claims Reserve Account	10,537,501	8,604,557	10,352,117	10,904,299	11,726,242	13,613,566	6,201,321	10,377,870	10,779,671	93,097,144
Investment Pool	2,067		10,618	2,218		9,780	2,449		554	27,686
	21,475,026	19,858,464	20,608,098	21,864,746	24,609,656	24,049,575	14,905,960	20,266,023	22,627,312	190,264,860
<b>DISBURSEMENTS:</b>										
Claims Funding Account	5,355,970	5,829,931	5,802,079	6,784,783	5,960,179	6,230,296	4,395,155	4,925,293	5,849,058	51,132,744
Fixed Cost Account	5,355,291	4,952,466	3,777,347	6,332,021	6,266,156	3,817,772	5,014,692	4,946,559	6,104,202	46,566,506
Claims Reserve Account	9,244,560	9,734,384	10,174,958	11,670,526	11,405,541	10,079,881	7,391,772	9,472,709	11,035,928	90,210,259
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>16,801,619</b>	<b>19,344,561</b>	<b>22,989,188</b>	<b>190,909,509</b>
<b>ENDING CASH BALANCES:</b>										
Claims Funding Account	358,018	725,672	701,149	173,361	451,022	709,191	384,751	404,977	177,953	177,953
Fixed Cost Account	1,084,176	1,188,032	1,878,492	247,705	627,123	747,115	363,898	359,973	480,824	480,824
Claims Reserve Account	2,019,732	889,905	1,067,064	300,837	621,538	4,155,223	2,964,772	3,869,933	3,613,676	3,613,676
Investment Pool	3,113,257	3,113,257	1,123,875	1,126,093	126,093	135,873	138,322	138,322	138,876	138,876
<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>\$ 3,851,743</b>	<b>\$ 4,773,205</b>	<b>\$ 4,411,329</b>	<b>\$ 4,411,329</b>

Note 1: The County of Fresno investment pool yield paid during the quarter ended 12/31/15 was 1.359% with quarterly earnings of \$3,003.

## 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 less fixed costs including items 6,7.
- 16 **Change in Reserve**

Excess receipts over claims, premiums and fixed costs.