



Final Renewal
for



SJVIA

San Joaquin Valley
Insurance Authority

Plan Year: January 1, 2017 - December 31, 2017

Presented By:

Gallagher Benefit Services

CA License #: 0D36879

August 23, 2016

Important Note: This presentation represents estimations of the scope, size and operation of SJVIA subject to its formation and inclusion of the counties to which it is presenting. This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

San Joaquin Valley Insurance Authority

Paid Claims History - All PPO Plans

2015 Plan Year

Month-Year	Enrollment					Total EE's	Paid Claims		
	EE	ES	EC	EF	Medical		Rx	Combined	
Jan-15	3,112	461	179	562	4,314	\$1,574,864	\$724,958	\$2,299,822	
Feb-15	3,316	497	179	609	4,601	\$1,557,323	\$649,774	\$2,207,097	
Mar-15	3,303	490	189	620	4,602	\$2,682,686	\$819,848	\$3,502,534	
Apr-15	3,309	492	188	626	4,615	\$1,833,906	\$807,568	\$2,641,473	
May-15	3,297	482	191	632	4,602	\$2,526,031	\$822,936	\$3,348,967	
Jun-15	3,305	486	191	622	4,604	\$2,196,073	\$926,194	\$3,122,267	
Jul-15	3,548	730	191	1,047	5,516	\$2,508,212	\$1,115,819	\$3,624,031	
Aug-15	3,582	753	191	1,058	5,584	\$3,188,593	\$1,237,512	\$4,426,105	
Sep-15	3,553	745	195	1,061	5,554	\$3,554,252	\$1,180,722	\$4,734,974	
Oct-15	3,542	740	191	1,062	5,535	\$3,801,065	\$1,341,498	\$5,142,563	
Nov-15	3,551	736	197	1,062	5,546	\$3,377,360	\$1,095,467	\$4,472,827	
Dec-15	<u>3,582</u>	<u>749</u>	<u>202</u>	<u>1,079</u>	<u>5,612</u>	<u>\$3,621,122</u>	<u>\$1,204,432</u>	<u>\$4,825,554</u>	
Sub Total	41,000	7,361	2,284	10,040	60,685	32,421,486	11,926,727	\$44,348,213	

2015 Totals

Average per Employee (Enrollment lagged 2 months)	57,435	498.53	189.94	688.47
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2016 Plan Year

Month-Year	Enrollment					Total EE's	Paid Claims		
	EE	ES	EC	EF	Medical		Rx	Combined	
Jan-16	3,669	752	205	1,070	5,696	\$2,606,907	\$1,011,920	\$3,618,827	
Feb-16	3,677	748	204	1,076	5,705	\$2,851,975	\$1,171,282	\$4,023,257	
Mar-16	3,678	749	204	1,074	5,705	\$3,431,263	\$1,226,357	\$4,657,620	
Apr-16	3,697	748	206	1,067	5,718	\$3,779,955	\$1,122,325	\$4,902,280	
May-16	3,687	736	207	1,067	5,697	\$3,144,952	\$1,268,516	\$4,413,468	
Jun-16	<u>3,727</u>	<u>733</u>	<u>216</u>	<u>1,076</u>	<u>5,752</u>	<u>\$3,252,228</u>	<u>\$1,239,175</u>	<u>\$4,491,403</u>	
Sub Total	22,135	4,466	1,242	6,430	34,273	\$19,067,280	\$7,039,575	\$26,106,855	

Rolling 12 Month Totals (7/2015-6/2016)

Rolling 12 month Large Claims/Rx Rebates	\$39,117,884	\$14,215,024	\$53,332,908
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(1,529,000) **(438,483)** **(1,967,483)**

Average per Employee (Enrollment lagged 2 months)	65,377	\$598.34	\$217.43	\$815.77
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SJVIA PPO 2017 Claims Projection

Paid Claims Period: July 2015 through June 2016

	Medical	Rx	Total
Total Paid Claims	\$ 39,117,884	\$ 14,215,024	\$ 53,332,908
Claims in Excess of Pooling	<u>\$ (1,529,000)</u>	<u>\$ (438,483)</u>	<u>\$ (1,967,483)</u>
Total Paid Claims Net of Pooling	\$ 37,588,884	\$ 13,776,541	\$ 51,365,425
Trend (Med: 6.2%; Rx: 11.5%)	1.0944	1.1774	1.1137
Pooling Deductible	\$ 1,350,000		
Enrollment lagged 2 months	65,377	65,377	65,377
Average Paid Claim for Period	\$ 595.61	\$ 210.72	\$ 806.33
Projected Paid Claim (PEPM)	\$ 649.90	\$ 248.10	\$ 898.00
Enrollment June 2016	5,752	5,752	5,752
Monthly Projected Paid Claims	\$ 3,738,205	\$ 1,427,074	\$ 5,165,279
Annual Projected Paid Claims	\$ 44,858,460	\$ 17,124,884	\$ 61,983,344
Minimum Required Reserve (8.5%/4% Rx)	\$ 3,812,969	\$ 684,995	\$ 4,497,964
Projected Required Reserve (14%Med/5% Rx)	\$ 6,280,184	\$ 856,244	\$ 7,136,429

SJVIA 2017 PPO - Anthem Blue Cross/HNAS

Enrollment	Single	EE +Sp	EE + Ch	Family	Total
Anthem Blue Cross PPO	3,570	729	216	906	5,421
BSC/HNAS PPO	154	5		173	332
Total PPO - June 2016	3,724	734	216	1,079	5,752
				Total Members	10,800
				Total Non Founding Members	1,828
2016 Fixed Costs:					
	Single	EE +Sp	EE + Ch	Family	Totals
PPO - Specific Stop Loss (HM Life \$450,000 ded. 12/15)	\$ 16.64	\$ 16.64	\$ 16.64	\$ 16.64	\$ 1,148,559
PPO - Aggregate Stop Loss (HM Life 12/15)	\$ 0.94	\$ 0.94	\$ 0.94	\$ 0.94	\$ 64,883
PPO - Blue Cross Core Administration	\$ 29.41	\$ 29.41	\$ 29.41	\$ 29.41	\$ 2,029,996
PPO - Blue Shield / HNAS Administration	\$ 36.52	\$ 36.52	\$ 36.52	\$ 36.52	\$ 145,496
Wellness	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 172,560
Communication	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 34,512
GBS Consulting	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 258,840
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 138,048
SJVIA Non Founding Member Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 138,048
Chimienti	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 358,925
PCORI Fee	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 14,495
Transitional Reinsurance Fee	\$ 3.40	\$ 3.40	\$ 3.40	\$ 3.40	\$ 234,682
					\$ 4,739,043
2016 Claims Costs:					
PPO - Medical Claims	\$ 595.61	\$ 595.61	\$ 595.61	\$ 595.61	\$ 41,111,056
PPO - Rx Claims	\$ 210.72	\$ 210.72	\$ 210.72	\$ 210.72	\$ 14,545,054
Total Claims	\$ 806.33	\$ 806.33	\$ 806.33	\$ 806.33	\$ 55,656,110
Aggregate Attachment Factors	\$ 803.33	\$ 803.33	\$ 803.33	\$ 803.33	\$ 55,449,050
Projected Total PPO Cost					\$ 60,395,153
2017 Fixed Costs: (Projected)					
	Single	EE +Sp	EE + Ch	Family	Totals
PPO - Specific Stop Loss (HM Life \$450,000 ded. 12/15)	\$ 18.30	\$ 18.30	\$ 18.30	\$ 18.30	\$ 1,263,415
PPO - Aggregate Stop Loss (HM Life 12/15)	\$ 1.03	\$ 1.03	\$ 1.03	\$ 1.03	\$ 71,371
PPO - Blue Cross Core Administration	\$ 32.53	\$ 32.53	\$ 32.53	\$ 32.53	\$ 2,116,142
PPO - Blue Shield / HNAS Administration	\$ 36.96	\$ 36.96	\$ 36.96	\$ 36.96	\$ 147,249
Wellness	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 172,560
Communication	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 34,512
GBS Consulting	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 258,840
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 138,048
SJVIA Non Founding Member Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 43,872
Chimienti	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 358,925
PCORI Fee	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 24,516
Total Fixed Cost Anthem Blue Cross	\$ 63.67	\$ 63.67	\$ 63.67	\$ 63.67	
Total Fixed Cost BSC/HNAS	\$ 68.10	\$ 68.10	\$ 68.10	\$ 68.10	
Total PPO Fixed Costs					\$ 4,629,449
2017 Claims Costs: (Projected)					
PPO - Projected Claims	\$ 649.90	\$ 649.90	\$ 649.90	\$ 649.90	\$ 44,858,460
PPO - Projected Rx Claims	\$ 248.10	\$ 248.10	\$ 248.10	\$ 248.10	\$ 17,124,884
Total Claims	\$ 898.00	\$ 898.00	\$ 898.00	\$ 898.00	\$ 61,983,344
Aggregate Attachment Factors	\$ 803.33	\$ 803.33	\$ 803.33	\$ 803.33	\$ 55,449,050
Projected Total PPO Cost					\$ 66,612,793
Current PPO Plan Rates/Funding					\$ 55,665,620
Rate Action					19.67%

San Joaquin Valley Insurance Authority

Paid Claims History - All HMO Plans

2015 Plan Year

Month-Year	Enrollment					Total EE's	Non Capitated Paid Claims			
	EE	ES	EC	EF	Capitation		Medical	Rx	Combined	
Jan-15	2,391	667	1,338	820	5,216	1,439,877	\$1,999,134	\$898,013	4,337,023	
Feb-15	2,373	662	1,355	818	5,208	1,437,668	\$1,384,370	\$953,926	3,775,965	
Mar-15	2,365	650	1,353	817	5,185	1,431,319	\$3,184,967	\$1,114,694	5,730,981	
Apr-15	2,365	650	1,348	818	5,181	1,430,215	\$3,153,567	\$1,253,903	5,837,685	
May-15	2,354	647	1,344	819	5,164	1,425,522	\$1,989,124	\$1,015,399	4,430,045	
Jun-15	2,365	642	1,337	820	5,164	1,425,522	\$2,653,773	\$1,111,280	5,190,575	
Jul-15	2,357	641	1,338	804	5,140	1,418,897	\$3,002,732	\$1,146,637	5,568,266	
Aug-15	2,360	648	1,354	810	5,172	1,427,731	\$2,936,664	\$1,142,044	5,506,438	
Sep-15	2,360	637	1,347	811	5,155	1,423,038	\$2,283,617	\$1,231,172	4,937,827	
Oct-15	2,379	635	1,344	816	5,174	1,428,283	\$2,528,090	\$1,148,679	5,105,052	
Nov-15	2,365	632	1,352	810	5,159	1,424,142	\$2,595,863	\$1,021,988	5,041,993	
Dec-15	2,369	634	1,336	796	5,135	1,417,517	\$2,345,830	\$1,154,620	4,917,966	
Sub Total	28,403	7,745	16,146	9,759	62,053	17,129,731	30,057,731	13,192,354	60,379,816	

2015 Totals

						\$17,129,731	\$30,057,731	\$13,192,354	\$60,379,816
Average per Employee (Enrollment lagged 2 months)					62,287	\$275.01	\$482.57	\$211.80	\$969.38

2016 Plan Year

Month-Year	Enrollment					Total EE's	Non Capitated Paid Claims			
	EE	ES	EC	EF	Capitation		Medical	Rx	Combined	
Jan-16	2,073	613	1,173	748	4,607	1,379,797	\$1,569,203	\$1,038,360	3,987,360	
Feb-16	2,075	607	1,162	750	4,594	1,375,903	\$2,175,671	\$1,073,967	4,625,541	
Mar-16	2,066	603	1,165	745	4,579	1,371,411	\$1,839,161	\$1,185,061	4,395,633	
Apr-16	2,066	596	1,163	742	4,566	1,367,367	\$1,998,427	\$1,074,355	4,440,149	
May-16	2,075	591	1,155	744	4,565	1,450,479	\$2,382,048	\$1,066,792	4,899,318	
Jun-16	2,084	586	1,148	746	4,564	1,450,280	\$1,783,005	\$1,106,536	4,339,821	
Sub Total	12,439	3,596	6,966	4,475	27,475	8,395,236	\$11,747,515	\$6,545,071	26,687,822	

Rolling 12 Month Totals (7/2015-6/2016)

Rolling 12 month Large Claim /Rx Rebates

						16,934,843	27,440,311	13,390,210	57,765,363
							(507,939)	(535,924)	(1,043,863)
Average per Employee (Enrollment lagged 2 months)					59,609	\$284.10	\$460.34	\$224.64	\$969.08

SJVIA HMO 2017 Claims Projection - All HMO Plans

Paid Claims Period: July 2015 through June 2016

	<u>Non Capitated</u>	<u>Capitation</u>	<u>Rx</u>	<u>Total</u>
Total Paid Claims	\$ 27,440,311	\$ 16,934,843	\$ 13,390,210	\$ 57,765,363
Claims in Excess of Pooling	<u>\$ (507,939)</u>	<u>-</u>	<u>(535,924)</u>	<u>(1,043,863)</u>
Total Paid Claims Net of Pooling	\$ 26,932,372	\$ 16,934,843	\$ 12,854,286	\$ 58,809,226
Trend (Med: 6.2%;Cap: .5%; Rx: 11.5%)	1.0944	1.0050	1.1774	1.0847
Pooing Deductible	\$ 400,000			
Enrollment lagged 2 months	59,609	59,609	59,609	59,609
Average Paid Claim for Period (Non-Cap)	\$ 458.53	\$ 299.50	\$ 215.65	\$ 973.68
Projected Paid Claim	\$ 501.20	\$ 301.01	\$ 253.89	\$ 1,056.10
Enrollment June 2016	4,564	4,564	4,564	4,564
Monthly Projected Paid Claims	2,287,456	1,373,810	1,158,771	4,820,037
Annual Projected Paid Claims	\$ 27,449,477	\$ 16,485,716	\$ 13,905,254	\$ 57,840,447
Minimum Required Reserve (8.5%/4% Rx)	\$2,333,206	N/A	\$556,210	\$2,889,416
Projected Required Reserve (14% Medical/5% Rx)	\$3,842,927	N/A	\$695,263	\$4,538,189

SJVIA 2017 HMO Cost Worksheet: Combined - Anthem Blue Cross

<u>Enrollment</u>	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>	<u>Total</u>
Total HMO -June 2016	2,075	591	1,155	744	4,564
					8,711
				Total Nonfounding Members	639
2016 Fixed Costs:	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>	<u>Totals</u>
HMO - Pooling (\$400,000)	\$ 25.58	\$ 25.58	\$ 25.58	\$ 25.58	\$ 1,400,965
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 40.96	\$ 40.96	\$ 40.96	\$ 40.96	\$ 2,243,297
ACA Reinsurance/PCORI	\$ 5.24	\$ 5.24	\$ 5.24	\$ 5.24	\$ 286,984
Wellness	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 136,920
Communication	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 27,384
GBS Consulting	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 205,380
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 109,536
SJVIA Non Founding Member Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 15,336
Chimienti	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 284,794
Total Fixed Cost	\$ 87.73	\$ 87.73	\$ 87.73	\$ 87.73	\$ 4,710,597
2016 Claims Costs:					
HMO - Capitation	\$ 299.50	\$ 299.50	\$ 299.50	\$ 299.50	\$ 16,403,016
HMO - Medical Claims	\$ 458.53	\$ 458.53	\$ 458.53	\$ 458.53	\$ 25,112,851
HMO - Rx Claims	\$ 215.65	\$ 215.65	\$ 215.65	\$ 215.65	\$ 11,810,455
Total Claims	\$ 973.68	\$ 973.68	\$ 973.68	\$ 973.68	\$ 53,326,322
<i>Aggregate Factors</i>	\$ 509.37	\$ 509.37	\$ 509.37	\$ 509.37	\$ 27,897,176
Projected Total HMO Cost					\$ 58,036,918
2017 Fixed Costs: (Projected)	<u>Single</u>	<u>EE +Sp</u>	<u>EE + Ch</u>	<u>Family</u>	<u>Totals</u>
HMO - Pooling (\$400,000)	\$ 27.69	\$ 27.69	\$ 27.69	\$ 27.69	\$ 1,516,526
HMO - Blue Cross MPP Retention (incl 360 Health)	\$ 45.34	\$ 45.34	\$ 45.34	\$ 45.34	\$ 2,483,181
PCORI	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 19,774
Wellness	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 136,920
Communication Fee	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 27,384
GBS Consulting	\$ 3.75	\$ 3.75	\$ 3.75	\$ 3.75	\$ 205,380
SJVIA Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 109,536
SJVIA Non Founding Member Fee	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 15,336
Chimienti	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.20	\$ 284,794
Total Fixed Cost	\$ 89.34	\$ 89.34	\$ 89.34	\$ 89.34	\$ 4,798,831
2017 Claims Costs: (Projected)					
HMO - Capitation	\$ 301.01	\$ 301.01	\$ 301.01	\$ 301.01	\$ 16,485,716
HMO - Projected Medical Claims	\$ 501.20	\$ 501.20	\$ 501.20	\$ 501.20	\$ 27,449,477
HMO - Projected Rx Claims	\$ 253.89	\$ 253.89	\$ 253.89	\$ 253.89	\$ 13,905,254
Total Claims	\$ 1,056.10	\$ 1,056.10	\$ 1,056.10	\$ 1,056.10	\$ 57,840,447
<i>Aggregate Factors</i>	\$ 664.65	\$ 664.65	\$ 664.65	\$ 664.65	\$ 36,401,551
Projected Total HMO Cost					\$ 62,639,277
Current HMO Plan Funding					\$ 54,827,354
Rate Action					14.25%

San Joaquin Valley Insurance Authority
2017 Renewal Summary

Effective January 1, 2017

Cost Recap

	PPO	HMO	SJVIA Total
2016 Premium Funding	\$55,665,620	\$54,827,354	\$110,492,974
2017 Projected Costs	\$66,612,793	\$62,639,277	\$129,252,070
Change	19.67%	14.25%	16.98%

2017 Reserve Summary

	Medical	Rx	Total
Minimum Required Reserve (Medical 8.5%/4% Rx)	\$6,146,175	\$1,241,206	\$7,387,380
Projected Required Reserve (14% Medical/5% Rx)	\$10,123,111	\$1,551,507	\$11,674,618
Current Reserve			\$903,802
		Total reserve	\$903,802
Additional to maintain Minimum Required Reserve (8.5% Medical/4% Rx)			\$6,483,578
Additional to maintain Projected Required Reserve (14% Medical/5% Rx)			\$10,770,816