



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS

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Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93921
August 26, 2016
9:00 AM

AGENDA DATE: August 26, 2016

ITEM NUMBER: 9

SUBJECT: Quarterly SJVIA financial update

REQUEST(S): That the Board receives the financial update through 4th 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 TWELVE MONTHS ENDED JUNE 30, 2016

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%
RECEIPTS								
TOTAL RECEIPTS	\$35,673,199	\$34,134,335	(\$1,538,864)	(4%)	\$142,692,795	\$146,931,397	\$4,238,602	3%
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	281,269	299,081	(17,812)	(6%)	1,125,074	1,133,431	(8,357)	(1%)
2 Anthem ASO Administration & Network Fees (PPO)	467,971	504,537	(36,566)	(8%)	1,871,883	2,082,086	(210,203)	(11%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	197,215	201,409	(4,194)	(2%)	788,861	800,640	(11,779)	(1%)
4 GBS Consulting	139,814	147,692	(7,878)	(6%)	559,256	592,223	(32,967)	(6%)
5 SJVIA Administration	99,525	223,944	(124,419)	(125%)	398,100	488,572	(90,472)	(23%)
6 Wellness	94,815	24,945	69,870	74%	379,260	494,734	(115,474)	(30%)
7 Communications	18,963	0	18,963	100%	75,852	0	75,852	100%
8 Anthem HMO Pooling	378,255	373,304	4,951	1%	1,513,018	1,628,083	(115,065)	(8%)
9 Anthem HMO Administration/Retention	561,572	597,492	(35,920)	(6%)	2,246,287	2,407,015	(160,728)	(7%)
10 ACA Reinsurance (PPO & HMO)	174,568	0	174,568	100%	698,270	729,476	(31,206)	(4%)
TOTAL FIXED DISBURSEMENTS	2,413,967	2,372,404	41,563	2%	9,655,861	10,356,260	(700,399)	(7%)
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,595,751	22,133,067	(1,537,316)	(7%)	82,383,002	92,505,683	(10,122,681)	(12%)
12 Anthem MMP HMO Capitation	4,131,451	4,369,686	(238,235)	(6%)	16,525,803	17,713,772	(1,187,969)	(7%)
TOTAL CLAIMS DISBURSEMENTS	24,727,202	26,502,753	(1,775,551)	(7%)	98,908,805	110,219,455	(11,310,650)	(11%)
DISBURSEMENTS: Premiums								
13 Delta Dental	1,550,647	1,893,014	(342,367)	(22%)	6,202,588	6,571,712	(369,124)	(6%)
14 Vision Service Plan	281,180	282,482	(1,302)	(0%)	1,124,718	1,138,025	(13,307)	(1%)
15 Kaiser Permanente	6,451,208	7,126,948	(675,740)	(10%)	25,804,830	25,544,108	260,722	1%
TOTAL PREMIUM DISBURSEMENTS	8,283,035	9,302,444	(1,019,409)	(12%)	33,132,136	33,253,845	(121,709)	(0%)
TOTAL DISBURSEMENTS	35,424,204	38,177,601	(2,753,397)	(8%)	141,696,802	153,829,560	(12,132,758)	(9%)
16 Change in Reserve	248,995	(4,043,266)	(4,292,261)	1724%	995,993	(6,898,163)	(7,894,156)	793%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$35,673,199	\$34,134,335	(\$1,538,864)	(4%)	\$142,692,795	\$146,931,397	\$4,238,602	3%

*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 TWELVE MONTHS ENDED JUNE 30, 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)
FY15-16						
Receipts**	\$87,367	\$86,275	\$17,592	\$413,619	\$848,758	\$86,500
Disbursements:						
Auditor-Treasurer Services	108,187			116,738		
County Counsel Services	9,733			26,744		
Personnel Services	67,411			222,067		
Membership Fees						
Insurance (Liability, Bond, Etc)				66,719		
Audit Fees	33,220			35,420		
Bank Service Fees	5,393			20,883		
Wellness		24,945			494,734	
Communications						
Total Disbursements	223,944	24,945		488,571	494,734	
Change in Administration, Wellness & Communications Reserve	(\$136,577)	\$61,330	\$17,592	(\$74,952)	\$354,024	\$86,500

*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 Twelve Months Ended June 2016**

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
BEGINNING CASH BALANCES:													
Claims Funding Account	\$ 255,518	\$ 358,018	\$ 725,672	\$ 701,149	\$ 173,361	\$ 451,022	\$ 709,191	\$ 384,751	\$ 404,977	\$ 177,953	\$ 379,318	\$ 296,259	\$ 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	480,824	388,596	1,754,000	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	3,613,676	1,900,358	2,408,237	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	138,876	138,954	138,954	3,111,190
Total Beginning Balances	5,055,978	6,575,183	5,916,866	4,770,580	1,847,996	1,825,776	5,747,402	3,851,743	4,773,205	4,411,329	2,807,226	4,597,450	5,055,978
RECEIPTS:													
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	5,450,670	5,125,697	5,578,662	67,210,208
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	5,547,807	5,578,712	4,982,921	62,194,291
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	8,976,287	9,168,863	8,822,519	120,064,813
Investment Pool	2,067		10,618	2,218		9,780	2,449		554	78		400	28,164
	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	19,974,842	19,873,272	19,384,502	249,497,476
DISBURSEMENTS:													
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	5,249,305	5,208,756	5,613,231	67,204,036
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	5,640,035	4,213,308	6,736,921	63,156,770
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	10,689,605	8,660,984	10,381,292	119,942,140
Investment Pool		-	2,000,000		1,000,000							138,954	3,138,954
TOTAL DISBURSEMENTS	19,955,821	20,516,781	21,754,384	24,787,330	24,631,876	20,127,949	16,801,619	19,344,561	22,989,188	21,578,945	18,083,048	22,870,398	253,441,900
ENDING CASH BALANCES:													
Claims Funding Account	358,018	725,672	701,149	173,361	451,022	709,191	384,751	404,977	177,953	379,318	296,259	261,690	261,690
Fixed Cost Account	1,084,176	1,188,032	1,878,492	247,705	627,123	747,115	363,898	359,973	480,824	388,596	1,754,000	-	-
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	1,900,358	2,408,237	849,464	849,464
Investment Pool	3,113,257	3,113,257	1,123,875	1,126,093	126,093	135,873	138,322	138,322	138,876	138,954	138,954	400	400
Total Ending Balances	\$ 6,575,183	\$ 5,916,866	\$ 4,770,580	\$ 1,847,996	\$ 1,825,776	\$ 5,747,402	\$ 3,851,743	\$ 4,773,205	\$ 4,411,329	\$ 2,807,226	\$ 4,597,450	\$ 1,111,554	\$ 1,111,554

Note 1: The County of Fresno investment pool yield paid during the quarter ended 3/31/16 was 1.388% with quarterly earnings of \$478.

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.