

**San Joaquin Valley Insurance Authority**  
**Estimated Statement of Net Position**  
**As of September 30, 2017**  
**(UNAUDITED)**

**ASSETS**

Current assets:

Cash and cash equivalents	\$3,750,861
Due from other governmental units	200,000
Total current assets	3,950,861

Noncurrent assets:

Other receivables	1,250,618
Total noncurrent assets	1,250,618
Total assets	5,201,479

**LIABILITIES**

Current liabilities:

Accounts payable	2,895,845
Unearned member contributions	3,060,525
Unpaid claims and claims adjustment expenses	1,284,000
Total current liabilities	7,240,370

Noncurrent liabilities:

Due to other governmental units	9,887,669
Total noncurrent liabilities	9,887,669
Total liabilities	17,128,039

**NET POSITION**

Unrestricted	(11,926,560)
Total net deficit	\$ (11,926,560)

Note:

This statement of net position is presented on an accrual basis. Certain related adjustments presented in this report are estimates. Additionally, this statement of net position does not include an IBNR accrual. Of the nine million currently loaned to SJVIA, five million is payable to the County of Fresno and four million is payable to the County of Tulare.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**  
**(UNAUDITED)**

	Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
<b>RECEIPTS</b>				
<b>TOTAL RECEIPTS</b>	<b>34,305,638</b>	<b>\$29,043,401</b>	<b>(\$5,262,237)</b>	<b>(15%)</b>
<b>DISBURSEMENTS: Fixed</b>				
1 Specific & Aggregate Stop Loss Insurance (PPO)	274,104	235,362	38,742	14%
2 Anthem ASO Administration & Network Fees (PPO)	447,730	411,897	35,833	8%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	176,376	149,609	26,767	15%
4 Benefit Consulting	127,195	196,800	(69,605)	(55%)
5 SJVIA Administration	82,290	333,034	(250,744)	(305%)
6 Wellness	84,796	0	84,796	100%
7 Communications	16,957	0	16,957	100%
8 Anthem HMO Pooling	314,887	295,968	18,919	6%
9 Anthem HMO Administration/Retention	509,377	484,705	24,672	5%
10 ACA Reinsurance (PPO & HMO)	70,659	43,555	27,104	38%
<b>TOTAL FIXED DISBURSEMENTS</b>	<b>2,104,371</b>	<b>2,150,930</b>	<b>(46,559)</b>	<b>(2%)</b>
<b>DISBURSEMENTS: Claims</b>				
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,721,490	14,770,121	5,951,369	29%
12 Anthem MMP HMO Capitation	3,567,195	3,239,349	327,846	9%
<b>TOTAL CLAIMS DISBURSEMENTS</b>	<b>24,288,685</b>	<b>18,009,470</b>	<b>6,279,215</b>	<b>26%</b>
<b>DISBURSEMENTS: Premiums</b>				
13 Delta Dental	1,773,311	1,442,253	331,058	19%
14 Vision Service Plan	273,890	206,491	67,399	25%
15 Kaiser Permanente	6,411,108	5,864,249	546,859	9%
<b>TOTAL PREMIUM DISBURSEMENTS</b>	<b>8,458,309</b>	<b>7,512,993</b>	<b>945,316</b>	<b>11%</b>
<b>TOTAL DISBURSEMENTS</b>	<b>34,851,365</b>	<b>27,673,393</b>	<b>7,177,972</b>	<b>21%</b>
16 Change in Reserve	(545,727)	1,370,008	1,915,735	351%
<b>COMBINED DISBURSEMENTS &amp; CHANGES IN RESERVES</b>	<b>\$34,305,638</b>	<b>\$29,043,401</b>	<b>(\$5,262,237)</b>	<b>(15%)</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.

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**ANALYSIS OF ADMINISTRATION, WELLNESS & COMMUNICATIONS (FEES) - RECEIPTS & DISBURSEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**  
**(UNAUDITED)**

Year-To-Date

				<b>SJVIA FEES</b>		
				<b>Administration (Line 5)</b>	<b>Wellness (Line 6)</b>	<b>Communications (Line 7)</b>
<b><u>FY 17-18</u></b>						
<b>Receipts*</b>				59,494	72,215	14,833
<b>Disbursements:</b>						
Auditor-Treasurer Services				57,935		
Legal Services				137,662		
Personnel Services				104,247		
Insurance (Liability, Bond, Etc)				19,036		
Audit Fees				10,880		
Bank Service Fees				3,274		
Wellness						
Communications						
<b>Total Disbursements**</b>				<b>333,034</b>		
<b>Change in Administration, Wellness &amp; Communications Reserve</b>				<b>(\$273,540)</b>	<b>\$72,215</b>	<b>\$14,833</b>

\*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.

\*\*Total disbursements for each column correspond to the line number shown on the "ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS" report.

Note: These schedules are on the cash basis.

**San Joaquin Valley Insurance Authority**  
**Schedule of Cash Flow by Month**  
**For the Three Months Ended September 2017**  
**(UNAUDITED)**

	JULY	AUGUST	SEPTEMBER	TOTAL
<b>BEGINNING CASH BALANCES:</b>				
Claims Funding Account (294)	\$ 1,022,409	\$ 798,242	\$ 653,950	\$ 1,022,409
Claims Main Account (819)	1,974,075	2,190,435	3,855,604	1,974,075
Investment Pool	-	-	-	-
<b>Total Beginning Balances</b>	<b>2,996,484</b>	<b>2,988,677</b>	<b>4,509,554</b>	<b>2,996,484</b>
<b>RECEIPTS:</b>				
Claims Funding Account (294)	3,107,397	3,849,768	2,890,848	9,848,013
Claims Main Account (819)	8,498,699	11,625,886	8,922,632	29,047,217
Investment Pool	-	-	-	-
	<b>11,606,096</b>	<b>15,475,654</b>	<b>11,813,480</b>	<b>38,895,230</b>
<b>DISBURSEMENTS:</b>				
Claims Funding Account (294)	3,331,564	3,994,060	2,814,262	10,139,886
Claims Main Account (819)	8,282,339	9,960,717	9,252,899	27,495,955
Investment Pool	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>11,613,903</b>	<b>13,954,777</b>	<b>12,067,161</b>	<b>37,635,841</b>
<b>ENDING CASH BALANCES:</b>				
Claims Funding Account (294)	798,242	653,950	730,536	730,536
Claims Main Account (819)	2,190,435	3,855,604	3,525,337	3,525,337
Investment Pool	-	-	-	-
<b>Total Ending Balances</b>	<b>\$ 2,988,677</b>	<b>\$ 4,509,554</b>	<b>\$ 4,255,873</b>	<b>4,255,873</b>
Less Outstanding Checks				(505,012)
Cash per Estimated Statement of Net Position			<u>\$ 4,255,873</u>	<u>3,750,861</u>

Note: These schedules are on the cash basis.

## Glossary of Terms:

### Actuals vs. Budgeted Receipts & Disbursements

#### **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 Benefit Consulting**

These are payments to the 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.

#### **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) fee. 2) Transitional Reinsurance Fee.

#### **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**

## **Glossary of Terms:**

### **Actuals vs. Budgeted Receipts & Disbursements**

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.

### **Estimated Statement of Net Position**

**17 Due from other governmental units**

These represent premiums due to SJVIA from various participants.

**18 Other receivables**

This is primarily a deposit that SJVIA is required to keep with Anthem Blue Cross as part of the capitated HMO claims activity. For a discussion of capitated HMO claims, see item 12 above.

**19 Accounts payable**

This represents non-claims payments owed to vendors which have not yet been remitted.

**20 Unearned member contributions**

This represents premiums paid early to SJVIA before the premiums are due.

**21 Unpaid claims and claims adjustment expenses**

This represents claims payments owed to vendors which have not yet been remitted.

**22 Due to other governmental units**

This represents various loans made to SJVIA by the County of Fresno & the County of Tulare as well as start up payments made by the County of Fresno at SJVIA's inception.

**23 Unrestricted Net Position**

This represents the assets less any liabilities.