

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2016

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS								
TOTAL RECEIPTS	\$35,673,199	\$35,401,152	(\$272,047)	(1%)	\$71,346,398	\$79,220,806	\$7,874,408	11%
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	281,269	301,195	(19,926)	(7%)	562,537	603,663	(41,126)	(7%)
2 Anthem ASO Administration & Network Fees (PPO)	467,971	512,184	(44,213)	(9%)	935,942	1,026,210	(90,268)	(10%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	197,215	188,129	9,086	5%	394,431	376,892	17,539	4%
4 GBS Consulting	139,814	139,450	364	0%	279,628	279,317	311	0%
5 SJVIA Administration	99,525	128,423	(28,898)	(29%)	199,050	226,786	(27,736)	(14%)
6 Wellness	94,815	0	94,815	100%	189,630	0	189,630	100%
7 Communications	18,963	0	18,963	100%	37,926	0	37,926	100%
8 Anthem HMO Pooling	378,255	323,579	54,676	14%	756,509	651,038	105,471	14%
9 Anthem HMO Administration/Retention	561,572	517,905	43,667	8%	1,123,144	1,042,020	81,124	7%
10 ACA Reinsurance (PPO & HMO)	174,568	173,685	883	1%	349,135	208,372	140,763	40%
TOTAL FIXED DISBURSEMENTS	2,413,967	2,284,550	129,417	5%	4,827,932	4,414,298	413,634	9%
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,595,751	26,682,186	(6,086,435)	(30%)	41,191,501	52,321,079	(11,129,578)	(27%)
12 Anthem MMP HMO Capitation	4,131,451	3,787,622	343,829	8%	8,262,902	7,620,653	642,249	8%
TOTAL CLAIMS DISBURSEMENTS	24,727,202	30,469,808	(5,742,606)	(23%)	49,454,403	59,941,732	(10,487,329)	(21%)
DISBURSEMENTS: Premiums								
13 Delta Dental	1,550,647	1,775,087	(224,440)	(14%)	3,101,294	3,553,220	(451,926)	(15%)
14 Vision Service Plan	281,180	259,272	21,908	8%	562,359	534,252	28,107	5%
15 Kaiser Permanente	6,451,208	6,767,704	(316,496)	(5%)	12,902,415	13,478,509	(576,094)	(4%)
TOTAL PREMIUM DISBURSEMENTS	8,283,035	8,802,063	(519,028)	(6%)	16,566,068	17,565,981	(999,913)	(6%)
TOTAL DISBURSEMENTS	35,424,204	41,556,421	(6,132,217)	(17%)	70,848,403	81,922,011	(11,073,608)	(16%)
16 Change in Reserve	248,995	(6,155,269)	(6,404,264)	2572%	497,995	(2,701,205)	(3,199,200)	642%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$35,673,199	\$35,401,152	(\$272,047)	(1%)	\$71,346,398	\$79,220,806	\$7,874,408	11%

*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
Schedule of Cash Flow by Month
For the Six Months Ended December 2016

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
BEGINNING CASH BALANCES:							
Claims Funding Account (294)	\$ 261,690	\$ 559,023	\$ 546,480	\$ 548,110	\$ 1,040,622	\$ 892,756	\$ 261,690
Claims Main Account (819)	849,465	3,586,175	4,429,532	3,563,549	3,188,047	1,723,852	849,465
Investment Pool	400	461	461	-	-	-	400
Total Beginning Balances	1,111,555	4,145,659	4,976,473	4,111,659	4,228,669	2,616,608	1,111,555
RECEIPTS:							
Claims Funding Account (294)	6,327,038	5,836,353	5,701,978	5,828,593	6,734,035	7,956,457	38,384,454
Claims Main Account (819)	15,989,861	15,659,273	12,051,686	11,647,476	13,651,447	15,106,878	84,106,621
Investment Pool	61		330				391
	22,316,960	21,495,626	17,753,994	17,476,069	20,385,482	23,063,335	122,491,466
DISBURSEMENTS:							
Claims Funding Account (294)	6,029,705	5,848,896	5,700,348	5,336,081	6,881,901	7,136,019	36,932,950
Claims Main Account (819)	13,253,151	14,815,916	12,917,669	12,022,978	15,115,642	15,257,010	83,382,366
Investment Pool			791				791
TOTAL DISBURSEMENTS	19,282,856	20,664,812	18,618,808	17,359,059	21,997,543	22,393,029	120,316,107
ENDING CASH BALANCES:							
Claims Funding Account (294)	559,023	546,480	548,110	1,040,622	892,756	1,713,194	1,713,194
Claims Main Account (819)	3,586,175	4,429,532	3,563,549	3,188,047	1,723,852	1,573,720	1,573,720
Investment Pool	461	461	-	-	-	-	-
Total Ending Balances	\$ 4,145,659	\$ 4,976,473	\$ 4,111,659	\$ 4,228,669	\$ 2,616,608	\$ 3,286,914	\$ 3,286,914

Note: These schedules are on the cash basis and have not been audited.

San Joaquin Valley Insurance Authority
Estimated Statement of Net Position
As of December 31, 2016

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,363,620
Due from other governmental units	100,000
Total current assets	2,463,620

Noncurrent assets:

Other receivables	1,250,618
Total noncurrent assets	1,250,618
Total assets	3,714,238

LIABILITIES

Current liabilities:

Accounts payable	2,060,414
Unearned member contributions	5,075,631
Unpaid claims and claims adjustment expenses	1,754,000
Total current liabilities	8,890,045

Noncurrent liabilities:

Due to other governmental units	7,884,432
Total noncurrent liabilities	7,884,432
Total liabilities	16,774,477

NET POSITION

Unrestricted	(13,060,239)
Total net deficit	\$ (13,060,239)

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. This statement has not been audited.

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 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).

Glossary of Terms:

Actuals vs. Budgeted Receipts & Disbursements

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.

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.