



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS

KUYLER CROCKER

NATHAN MAGSIG

BUDDY MENDES

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J. STEVEN WORTHLEY

Meeting Location:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 28, 2016
9:00 AM

AGENDA DATE: April 28, 2016

ITEM NUMBER: 9

SUBJECT: Quarterly SJVIA financial update

REQUEST(S): That the Board receives the financial update through 3rd quarter,
2016-17

DESCRIPTION: Informational item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:

Oscar J. Garcia, CPA
SJVIA Auditor-Treasurer

San Joaquin Valley Insurance Authority
Estimated Statement of Net Position
As of March 31, 2017
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	\$1,714,724
Due from other governmental units	300,000
Total current assets	2,014,724

Noncurrent assets:

Other receivables	1,250,618
Total noncurrent assets	1,250,618
Total assets	3,265,342

LIABILITIES

Current liabilities:

Accounts payable	2,600,000
Unearned member contributions	3,264,440
Unpaid claims and claims adjustment expenses	1,470,000
Total current liabilities	7,334,440

Noncurrent liabilities:

Due to other governmental units	7,887,285
Total noncurrent liabilities	7,887,285
Total liabilities	15,221,725

NET POSITION

Unrestricted	(11,956,382)
Total net deficit	\$ (11,956,382)

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.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2017
(UNAUDITED)

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS								
TOTAL RECEIPTS	\$35,673,199	\$22,612,363	(\$13,060,836)	(37%)	\$107,019,596	\$101,833,168	(\$5,186,428)	(5%)
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	281,269	199,382	81,887	29%	843,806	803,045	40,761	5%
2 Anthem ASO Administration & Network Fees (PPO)	467,971	453,401	14,570	3%	1,403,912	1,479,611	(75,699)	(5%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	197,215	162,427	34,788	18%	591,646	539,319	52,327	9%
4 Benefit Consulting	139,814	103,499	36,315	26%	419,442	382,816	36,626	9%
5 SJVIA Administration	99,525	245,776	(146,251)	(147%)	298,575	472,562	(173,987)	(58%)
6 Wellness	94,815	0	94,815	100%	284,445	0	284,445	100%
7 Communications	18,963	0	18,963	100%	56,889	0	56,889	100%
8 Anthem HMO Pooling	378,255	284,406	93,849	25%	1,134,764	935,444	199,320	18%
9 Anthem HMO Administration/Retention	561,572	487,758	73,814	13%	1,684,715	1,529,777	154,938	9%
10 ACA Reinsurance (PPO & HMO)	174,568	353,433	(178,865)	(102%)	523,703	561,805	(38,102)	(7%)
TOTAL FIXED DISBURSEMENTS	2,413,967	2,290,082	123,885	5%	7,241,897	6,704,379	537,518	7%
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,595,751	18,231,561	2,364,190	11%	61,787,252	70,552,640	(8,765,388)	(14%)
12 Anthem MMP HMO Capitation	4,131,451	3,331,449	800,002	19%	12,394,352	10,952,102	1,442,250	12%
TOTAL CLAIMS DISBURSEMENTS	24,727,202	21,563,010	3,164,192	13%	74,181,604	81,504,742	(7,323,138)	(10%)
DISBURSEMENTS: Premiums								
13 Delta Dental	1,550,647	1,184,135	366,512	24%	4,651,941	4,737,355	(85,414)	(2%)
14 Vision Service Plan	281,180	157,625	123,555	44%	843,539	691,877	151,662	18%
15 Kaiser Permanente	6,451,208	4,057,139	2,394,069	37%	19,353,623	17,535,648	1,817,975	9%
TOTAL PREMIUM DISBURSEMENTS	8,283,035	5,398,899	2,884,136	35%	24,849,103	22,964,880	1,884,223	8%
TOTAL DISBURSEMENTS	35,424,204	29,251,991	6,172,213	17%	106,272,604	111,174,001	(4,901,397)	(5%)
16 Change in Reserve	248,995	(6,639,628)	(6,888,623)	2767%	746,992	(9,340,833)	(10,087,825)	1350%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$35,673,199	\$22,612,363	(\$13,060,836)	(37%)	\$107,019,596	\$101,833,168	(\$5,186,428)	(5%)

*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 AND NINE MONTHS ENDED MARCH 31, 2017

(UNAUDITED)

Current Quarter

Year-To-Date

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
\$65,518	\$75,648	\$15,518
84,058		
22,003		
120,558		
14,875		
4,282		
245,776		
(\$180,258)	\$75,648	\$15,518

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
268,256	268,785	54,869
131,908		
35,882		
209,467		
66,837		
14,875		
13,593		
472,562		
(\$204,306)	\$268,785	\$54,869

FY 16-17

Receipts**

Disbursements:

- Auditor-Treasurer Services
- Legal Services
- Personnel Services
- Insurance (Liability, Bond, Etc)
- Audit Fees
- Bank Service Fees
- Wellness
- Communications

Total Disbursements

**Change in Administration,
Wellness & Communications**

Reserve

*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.

San Joaquin Valley Insurance Authority
Schedule of Cash Flow by Month
For the Nine Months Ended March 2017
(UNAUDITED)

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
BEGINNING CASH BALANCES:										
Claims Funding Account (294)	\$ 261,690	\$ 559,023	\$ 546,480	\$ 548,110	\$ 1,040,622	\$ 892,756	\$ 1,713,194	\$ 1,238,613	\$ 1,363,033	\$ 261,690
Claims Main Account (819)	849,465	3,586,175	4,429,532	3,563,549	3,188,047	1,723,852	1,573,720	1,224,658	2,206,553	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	3,286,914	2,463,271	3,569,586	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	4,470,285	3,724,463	4,268,785	50,847,987
Claims Main Account (819)	15,989,861	15,659,273	12,051,686	11,647,476	13,651,447	15,106,878	9,294,397	11,743,669	9,929,872	115,074,559
Investment Pool	61		330							391
	22,316,960	21,495,626	17,753,994	17,476,069	20,385,482	23,063,335	13,764,682	15,468,132	14,198,657	165,922,937
DISBURSEMENTS:										
Claims Funding Account (294)	6,029,705	5,848,896	5,700,348	5,336,081	6,881,901	7,136,019	4,944,866	3,600,043	4,847,381	50,325,240
Claims Main Account (819)	13,253,151	14,815,916	12,917,669	12,022,978	15,115,642	15,257,010	9,643,459	10,761,774	10,665,872	114,453,471
Investment Pool			791							791
TOTAL DISBURSEMENTS	19,282,856	20,664,812	18,618,808	17,359,059	21,997,543	22,393,029	14,588,325	14,361,817	15,513,253	164,779,502
ENDING CASH BALANCES:										
Claims Funding Account (294)	559,023	546,480	548,110	1,040,622	892,756	1,713,194	1,238,613	1,363,033	784,437	784,437
Claims Main Account (819)	3,586,175	4,429,532	3,563,549	3,188,047	1,723,852	1,573,720	1,224,658	2,206,553	1,470,553	1,470,553
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	\$ 2,463,271	\$ 3,569,586	\$ 2,254,990	2,254,990
Less Outstanding Checks										(540,266)
Cash per Estimated Statement of Net Position										<u>\$ 1,714,724</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).

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.