

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

**ASSETS**

Current assets:

Cash and cash equivalents	\$2,193,275
Due from other governmental units	300,000
Total current assets	<u>2,493,275</u>

Noncurrent assets:

Other receivables	1,250,618
Total noncurrent assets	<u>1,250,618</u>
Total assets	<u>3,743,893</u>

**LIABILITIES**

Current liabilities:

Accounts payable	2,757,000
Unearned member contributions	5,114,440
Unpaid claims and claims adjustment expenses	1,177,000
Total current liabilities	<u>9,048,440</u>

Noncurrent liabilities:

Due to other governmental units	9,887,669
Total noncurrent liabilities	<u>9,887,669</u>
Total liabilities	<u>18,936,109</u>

**NET POSITION**

Unrestricted	(15,192,216)
Total net deficit	<u>\$ (15,192,216)</u>

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 AND TWELVE MONTHS ENDED JUNE 30, 2017**  
**(UNAUDITED)**

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
<b>RECEIPTS</b>								
<b>TOTAL RECEIPTS</b>	<b>\$35,673,199</b>	<b>\$27,313,058</b>	<b>(\$8,360,141)</b>	<b>(23%)</b>	<b>142,692,795</b>	<b>\$129,146,226</b>	<b>(\$13,546,569)</b>	<b>(9%)</b>
<b>DISBURSEMENTS: Fixed</b>								
1 Specific & Aggregate Stop Loss Insurance (PPO)	281,269	240,160	41,109	15%	1,125,075	1,043,205	81,870	7%
2 Anthem ASO Administration & Network Fees (PPO)	467,971	393,969	74,002	16%	1,871,883	1,873,579	(1,696)	(0%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	197,215	139,199	58,016	29%	788,861	678,518	110,343	14%
4 Benefit Consulting	139,814	5,781	134,033	96%	559,256	388,597	170,659	31%
5 SJVIA Administration	99,525	83,296	16,229	16%	398,100	555,857	(157,757)	(40%)
6 Wellness	94,815	0	94,815	100%	379,260	0	379,260	100%
7 Communications	18,963	0	18,963	100%	75,852	0	75,852	100%
8 Anthem HMO Pooling	378,255	256,643	121,612	32%	1,513,019	1,192,087	320,932	21%
9 Anthem HMO Administration/Retention	561,572	420,302	141,270	25%	2,246,287	1,950,080	296,207	13%
10 ACA Reinsurance (PPO & HMO)	174,568	0	174,568	100%	698,271	561,805	136,466	20%
<b>TOTAL FIXED DISBURSEMENTS</b>	<b>2,413,967</b>	<b>1,539,350</b>	<b>874,617</b>	<b>36%</b>	<b>9,655,864</b>	<b>8,243,728</b>	<b>1,412,136</b>	<b>15%</b>
<b>DISBURSEMENTS: Claims</b>								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,595,751	17,796,355	2,799,396	14%	82,383,003	88,348,995	(5,965,992)	(7%)
12 Anthem MMP HMO Capitation	4,131,451	2,789,964	1,341,487	32%	16,525,803	13,742,066	2,783,737	17%
<b>TOTAL CLAIMS DISBURSEMENTS</b>	<b>24,727,202</b>	<b>20,586,319</b>	<b>4,140,883</b>	<b>17%</b>	<b>98,908,806</b>	<b>102,091,061</b>	<b>(3,182,255)</b>	<b>(3%)</b>
<b>DISBURSEMENTS: Premiums</b>								
13 Delta Dental	1,550,647	1,368,469	182,178	12%	6,202,588	6,105,824	96,764	2%
14 Vision Service Plan	281,180	196,968	84,212	30%	1,124,719	888,846	235,873	21%
15 Kaiser Permanente	6,451,208	5,143,787	1,307,421	20%	25,804,831	22,679,435	3,125,396	12%
<b>TOTAL PREMIUM DISBURSEMENTS</b>	<b>8,283,035</b>	<b>6,709,224</b>	<b>1,573,811</b>	<b>19%</b>	<b>33,132,138</b>	<b>29,674,105</b>	<b>3,458,033</b>	<b>10%</b>
<b>TOTAL DISBURSEMENTS</b>	<b>35,424,204</b>	<b>28,834,893</b>	<b>6,589,311</b>	<b>19%</b>	<b>141,696,808</b>	<b>140,008,894</b>	<b>1,687,914</b>	<b>1%</b>
16 Change in Reserve	248,995	(1,521,835)	(1,770,830)	711%	995,987	(10,862,668)	(11,858,655)	1191%
<b>COMBINED DISBURSEMENTS &amp; CHANGES IN RESERVES</b>	<b>\$35,673,199</b>	<b>\$27,313,058</b>	<b>(\$8,360,141)</b>	<b>(23%)</b>	<b>\$142,692,795</b>	<b>\$129,146,226</b>	<b>(\$13,546,569)</b>	<b>(9%)</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**  
**Schedule of Cash Flow by Month**  
**For the Twelve Months Ended June 2017**  
**(UNAUDITED)**

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
<b>BEGINNING CASH BALANCES:</b>													
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	\$ 784,437	\$ 877,744	\$ 852,242	\$ 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	1,470,553	2,789,150	2,850,314	849,465
Investment Pool	400	461	461	-	-	-	-	-	-	-	-	-	400
<b>Total Beginning Balances</b>	<b>1,111,555</b>	<b>4,145,659</b>	<b>4,976,473</b>	<b>4,111,659</b>	<b>4,228,669</b>	<b>2,616,608</b>	<b>3,286,914</b>	<b>2,463,271</b>	<b>3,569,586</b>	<b>2,254,990</b>	<b>3,666,894</b>	<b>3,702,556</b>	<b>1,111,555</b>
<b>RECEIPTS:</b>													
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	3,890,024	4,518,067	4,833,951	64,090,029
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	9,985,412	10,616,290	9,357,053	145,033,314
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	13,875,436	15,134,357	14,191,004	209,123,734
<b>DISBURSEMENTS:</b>													
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	3,796,717	4,543,569	4,663,785	63,329,311
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	8,666,815	10,555,126	10,233,292	143,908,704
Investment Pool			791										791
<b>TOTAL DISBURSEMENTS</b>	<b>19,282,856</b>	<b>20,664,812</b>	<b>18,618,808</b>	<b>17,359,059</b>	<b>21,997,543</b>	<b>22,393,029</b>	<b>14,588,325</b>	<b>14,361,817</b>	<b>15,513,253</b>	<b>12,463,532</b>	<b>15,098,695</b>	<b>14,897,077</b>	<b>207,238,806</b>
<b>ENDING CASH BALANCES:</b>													
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	877,744	852,242	1,022,408	1,022,408
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	2,789,150	2,850,314	1,974,075	1,974,075
Investment Pool	461	461	-	-	-	-	-	-	-	-	-	-	-
<b>Total Ending Balances</b>	<b>\$ 4,145,659</b>	<b>\$ 4,976,473</b>	<b>\$ 4,111,659</b>	<b>\$ 4,228,669</b>	<b>\$ 2,616,608</b>	<b>\$ 3,286,914</b>	<b>\$ 2,463,271</b>	<b>\$ 3,569,586</b>	<b>\$ 2,254,990</b>	<b>\$ 3,666,894</b>	<b>\$ 3,702,556</b>	<b>\$ 2,996,483</b>	<b>2,996,483</b>
Less Outstanding Checks													(803,208)
Cash per Estimated Statement of Net Position													<u>\$ 2,193,275</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.