

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

ASSETS

Current assets:

Cash and cash equivalents	\$2,836,200
Due from other governmental units	324,000
Total current assets	3,160,200

Noncurrent assets:

Other receivables	977,819
Total noncurrent assets	977,819
Total assets	4,138,019

LIABILITIES

Current liabilities:

Due to other governmental units	4,000,000
Accounts payable	2,884,000
Unearned member contributions	2,115,195
Unpaid claims and claims adjustment expenses	1,084,758
Total current liabilities	6,083,953

Noncurrent liabilities:

Due to other governmental units	5,887,669
Total noncurrent liabilities	5,887,669
Total liabilities	11,971,622

NET POSITION

Unrestricted	(11,833,601)
Total net deficit	\$ (11,833,601)

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, due June 30, 2021, and four million is payable to the County of Tulare, due June 30, 2018.

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

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS								
TOTAL RECEIPTS	\$34,305,638	\$25,398,866	(\$8,906,772)	(26%)	68,611,276	\$54,442,267	(\$14,169,009)	(21%)
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	274,104	228,125	45,979	17%	548,208	463,487	84,721	15%
2 Anthem ASO Administration & Network Fees (PPO)	447,730	374,227	73,503	16%	895,460	786,124	109,336	12%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	176,376	135,056	41,320	23%	352,752	284,665	68,087	19%
4 Benefit Consulting-Keenan	127,195	49,200	77,995	61%	254,390	246,000	8,390	3%
5 SJVIA Administration	82,290	227,757	(145,467)	(177%)	164,580	560,790	(396,210)	(241%)
6 Wellness	84,796	0	84,796	100%	169,592	0	169,592	100%
7 Communications	16,957	0	16,957	100%	33,914	0	33,914	100%
8 Anthem HMO Pooling	314,887	250,405	64,482	20%	629,774	546,373	83,401	13%
9 Anthem HMO Administration/Retention	509,377	410,401	98,976	19%	1,018,754	895,107	123,647	12%
10 ACA Reinsurance (PPO & HMO)	70,659	88,358	(17,699)	(25%)	141,318	131,913	9,405	7%
TOTAL FIXED DISBURSEMENTS	2,104,371	1,763,529	340,842	16%	4,208,742	3,914,459	294,283	7%
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,721,490	16,167,520	4,553,970	22%	41,442,980	30,938,105	10,504,875	25%
12 Anthem MMP HMO Capitation	3,567,195	2,272,752	1,294,443	36%	7,134,390	5,512,102	1,622,288	23%
TOTAL CLAIMS DISBURSEMENTS	24,288,685	18,440,272	5,848,413	24%	48,577,370	36,450,207	12,127,163	25%
DISBURSEMENTS: Premiums								
13 Delta Dental	1,773,311	1,296,618	476,693	27%	3,546,622	2,738,871	807,751	23%
14 Vision Service Plan	273,890	184,762	89,128	33%	547,780	391,253	156,527	29%
15 Kaiser Permanente	6,411,108	5,148,504	1,262,604	20%	12,822,216	11,012,753	1,809,463	14%
TOTAL PREMIUM DISBURSEMENTS	8,458,309	6,629,884	1,828,425	22%	16,916,618	14,142,877	2,773,741	16%
TOTAL DISBURSEMENTS	34,851,365	26,833,685	8,017,680	23%	69,702,730	54,507,543	15,195,187	22%
16 Change in Reserve	(545,727)	(1,434,819)	(889,092)	(163%)	(1,091,454)	(65,276)	1,026,178	94%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$34,305,638	\$25,398,866	(\$8,906,772)	(26%)	\$68,611,276	\$54,442,267	(\$14,169,009)	(21%)

*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 DECEMBER 31, 2017
(UNAUDITED)

	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)
FY 17-18						
Receipts*	\$52,500	\$64,365	\$13,206	111,994	136,580	28,039
Disbursements:						
Auditor-Treasurer Services	25,189			83,124		
Legal Services	160,728			298,390		
Personnel Services	21,756			126,002		
Insurance (Liability, Bond, Etc)	4,445			23,481		
Audit Fees	12,620			23,500		
Bank Service Fees	3,019			6,293		
Wellness						
Communications						
Total Disbursements**	227,757			560,790		
Change in Administration, Wellness & Communications Reserve	(\$175,257)	\$64,365	\$13,206	(\$448,796)	\$136,580	\$28,039

*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	OCTOBER	NOVEMBER	DECEMBER	TOTAL
BEGINNING CASH BALANCES:							
Claims Funding Account (294)	\$ 1,022,409	\$ 798,242	\$ 653,950	\$ 730,536	\$ 669,250	\$ 689,275	\$ 1,022,409
Claims Main Account (819)	1,974,075	2,190,435	3,855,604	3,525,337	3,336,721	2,329,587	1,974,075
Investment Pool	-	-	-	-	-	-	-
Total Beginning Balances	2,996,484	2,988,677	4,509,554	4,255,873	4,005,971	3,018,862	2,996,484
RECEIPTS:							
Claims Funding Account (294)	3,107,397	3,849,768	2,890,848	3,663,027	4,176,340	2,957,464	20,644,844
Claims Main Account (819)	8,498,699	11,625,886	8,922,632	8,593,566	8,744,756	8,757,204	55,142,743
Investment Pool	-	-	-	-	-	-	-
	11,606,096	15,475,654	11,813,480	12,256,593	12,921,096	11,714,668	75,787,587
DISBURSEMENTS:							
Claims Funding Account (294)	3,331,564	3,994,060	2,814,262	3,724,312	4,156,315	2,936,767	20,957,280
Claims Main Account (819)	8,282,339	9,960,717	9,252,899	8,782,182	9,751,889	8,398,460	54,428,486
Investment Pool	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	11,613,903	13,954,777	12,067,161	12,506,494	13,908,204	11,335,227	75,385,766
ENDING CASH BALANCES:							
Claims Funding Account (294)	798,242	653,950	730,536	669,250	689,275	709,972	709,973
Claims Main Account (819)	2,190,435	3,855,604	3,525,337	3,336,721	2,329,587	2,688,331	2,688,332
Investment Pool	-	-	-	-	-	-	-
Total Ending Balances	\$ 2,988,677	\$ 4,509,554	\$ 4,255,873	\$ 4,005,971	\$ 3,018,862	\$ 3,398,303	3,398,305
Less Outstanding Checks							(562,105)
Cash per Estimated Statement of Net Position							<u>\$ 2,836,200</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.