

San Joaquin Valley Insurance Authority
Estimated Statement of Net Position
As of March 31, 2018
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	\$3,661,169
Due from other governmental units	724,500
Total current assets	4,385,669

Noncurrent assets:

Other receivables	977,819
Total noncurrent assets	977,819
Total assets	5,363,488

LIABILITIES

Current liabilities:

Due to other governmental units	4,000,000
Interest payable	57,500
Accounts payable	2,350,452
Unearned member contributions	3,453,977
Unpaid claims and claims adjustment expenses	876,500
Total current liabilities	6,680,929

Noncurrent liabilities:

Due to other governmental units	5,887,669
Interest payable	106,400
Total noncurrent liabilities	5,887,669
Total liabilities	12,568,598

NET POSITION

Unrestricted	(11,147,608)
Total net deficit	\$ (11,147,608)

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 NINE MONTHS ENDED MARCH 31, 2018
(UNAUDITED)

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS								
TOTAL RECEIPTS	\$29,381,429	\$25,166,193	(\$4,215,236)	(14%)	97,992,705	\$79,608,460	(\$18,384,245)	(19%)
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	280,186	336,298	(56,112)	(20%)	828,394	799,785	28,609	3%
2 Anthem ASO Administration & Network Fees (PPO)	424,911	648,730	(223,819)	(53%)	1,320,371	1,434,853	(114,482)	(9%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	157,721	110,850	46,871	30%	510,473	395,516	114,957	23%
4 Keenan Consulting	113,627	59,549	54,078	48%	368,017	305,549	62,468	17%
5 SJVIA Administration	82,290	171,620	(89,330)	(109%)	246,870	732,409	(485,539)	(197%)
6 Wellness	84,796	0	84,796	100%	254,388	0	254,388	100%
7 Communications	16,957	0	16,957	100%	50,871	0	50,871	100%
8 Anthem HMO Pooling	225,358	82,795	142,563	63%	855,132	629,168	225,964	26%
9 Anthem HMO Administration/Retention	514,140	135,594	378,546	74%	1,532,894	1,030,700	502,194	33%
10 ACA Reinsurance (PPO & HMO)	67,147	0	67,147	100%	208,465	131,913	76,552	37%
TOTAL FIXED DISBURSEMENTS	1,967,133	1,545,436	421,697	21%	6,175,875	5,459,893	715,982	12%
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO/EPO and Non-Cap HMO	17,895,822	15,717,359	2,178,463	12%	59,338,802	46,655,464	12,683,338	21%
12 Anthem MMP HMO Capitation	0	627,258	(627,258)	(100%)	7,134,390	6,139,360	995,030	14%
TOTAL CLAIMS DISBURSEMENTS	17,895,822	16,344,617	1,551,205	9%	66,473,192	52,794,824	13,678,368	21%
DISBURSEMENTS: Premiums								
13 Delta Dental	1,477,759	886,334	591,425	40%	5,024,381	3,625,205	1,399,176	28%
14 Vision Service Plan	279,368	170,714	108,654	39%	827,148	561,967	265,181	32%
15 Kaiser Permanente	7,157,779	5,121,325	2,036,454	28%	19,979,995	16,134,078	3,845,917	19%
TOTAL PREMIUM DISBURSEMENTS	8,914,906	6,178,373	2,736,533	31%	25,831,524	20,321,250	5,510,274	21%
TOTAL DISBURSEMENTS	28,777,861	24,068,426	4,709,435	16%	98,480,591	78,575,967	19,904,624	20%
16 Change in Reserve	603,568	1,097,767	494,199	(82%)	(487,886)	1,032,493	1,520,379	312%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$29,381,429	\$25,166,193	(\$4,215,236)	(14%)	\$97,992,705	\$79,608,460	(\$18,384,245)	(19%)

*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, 2018
(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*	\$51,270	\$63,720	\$12,932	163,264	200,301	40,970
Disbursements:						
Auditor-Treasurer Services	17,894			101,018		
Legal Services (CoF & CoT)	1,464			21,517		
Litigation	119,193			397,531		
Human Resource Services	29,866			155,868		
Insurance (Liability, Bond, Etc)				23,481		
Audit Fees				23,500		
Actuary Fees						
Bank Service Fees	3,202			9,494		
Wellness						
Communications						
Total Disbursements**	171,619			732,409		
Change in Administration, Wellness & Communications Reserve	(\$120,349)	\$63,720	\$12,932	(\$569,145)	\$200,301	\$40,970

*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 Nine Months Ended March 2018
(UNAUDITED)

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
BEGINNING CASH BALANCES:										
Claims Funding Account (294)	\$ 1,022,409	\$ 798,242	\$ 653,950	\$ 730,536	\$ 669,250	\$ 689,275	\$ 709,972	\$ 843,660	\$ 581,192	\$ 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	2,688,331	2,995,838	4,303,713	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	3,398,303	3,839,498	4,884,905	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	3,145,746	2,791,702	4,531,410	31,113,702
Claims Main Account (819)	8,498,699	11,625,886	8,922,632	8,593,566	8,744,756	8,757,204	8,112,805	8,306,761	8,724,778	80,287,087
Investment Pool	-	-	-	-	-	-	-	-	-	-
	11,606,096	15,475,654	11,813,480	12,256,593	12,921,096	11,714,668	11,258,551	11,098,463	13,256,188	111,400,789
DISBURSEMENTS:										
Claims Funding Account (294)	3,331,564	3,994,060	2,814,262	3,724,312	4,156,315	2,936,767	3,012,058	3,054,170	4,497,490	31,520,998
Claims Main Account (819)	8,282,339	9,960,717	9,252,899	8,782,182	9,751,889	8,398,460	7,805,298	6,998,886	8,921,217	78,153,887
Investment Pool	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	11,613,903	13,954,777	12,067,161	12,506,494	13,908,204	11,335,227	10,817,356	10,053,056	13,418,707	109,674,885
ENDING CASH BALANCES:										
Claims Funding Account (294)	798,242	653,950	730,536	669,250	689,275	709,972	843,660	581,192	615,112	615,113
Claims Main Account (819)	2,190,435	3,855,604	3,525,337	3,336,721	2,329,587	2,688,331	2,995,838	4,303,713	4,107,274	4,107,275
Investment Pool	-	-	-	-	-	-	-	-	-	-
Total Ending Balances	\$ 2,988,677	\$ 4,509,554	\$ 4,255,873	\$ 4,005,971	\$ 3,018,862	\$ 3,398,303	\$ 3,839,498	\$ 4,884,905	\$ 4,722,386	4,722,388
Less Outstanding Checks										(1,061,219)
Cash per Estimated Statement of Net Position										<u>\$ 3,661,169</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/Asi 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 Keenan 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. This fee is no longer in effect due to a change in program.

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-Current and Noncurrent

This represents various loans made to the 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. Current amounts reflect due dates within a 12 month period.

23 Interest payable-Current and Noncurrent

This represents accrued interest on various loans made to the SJVIA by the County of Fresno and the County of Tulare.

24 Unrestricted Net Position

This represents the assets less any liabilities.