

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

ASSETS

Current assets:	
Cash and cash equivalents	\$6,012,918
Due from other governmental units	195,000
Total current assets	<u>6,207,918</u>
Noncurrent assets:	
Other receivables	977,819
Total noncurrent assets	<u>977,819</u>
Total assets	<u>7,185,737</u>

LIABILITIES

Current liabilities:	
Due to other governmental units	4,000,000
Interest payable	66,000
Accounts payable	2,391,210
Unearned member contributions	3,355,972
Unpaid claims and claims adjustment expenses	1,013,403
Total current liabilities	<u>6,760,585</u>
Noncurrent liabilities:	
Due to other governmental units	5,887,669
Interest payable	121,400
Total noncurrent liabilities	<u>5,887,669</u>
Total liabilities	<u>12,648,254</u>

NET POSITION

Unrestricted	(9,396,515)
Total net deficit	<u><u>\$ (9,396,515)</u></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, 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 NINE AND ELEVEN MONTHS ENDED MAY 31, 2018
(UNAUDITED)

	Current Month				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS								
TOTAL RECEIPTS	\$29,381,429	\$24,713,386	(\$4,668,043)	(16%)	97,992,705	\$104,321,846	\$6,329,141	6%
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	280,186	403,703	(123,517)	(44%)	828,394	1,203,488	(375,094)	(45%)
2 Anthem ASO Administration & Network Fees (PPO)	424,911	795,959	(371,048)	(87%)	1,320,371	2,230,812	(910,441)	(69%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	157,721	117,830	39,891	25%	510,473	513,346	(2,873)	(1%)
4 Keenan Consulting	113,627	153,030	(39,403)	(35%)	368,017	458,578	(90,561)	(25%)
5 SJVIA Administration	82,290	201,523	(119,233)	(145%)	246,870	444,425	(197,555)	(80%)
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	268	225,090	100%	855,132	629,436	225,696	26%
9 Anthem HMO Administration/Retention	514,140	440	513,700	100%	1,532,894	1,031,140	501,754	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	1,672,753	294,380	15%	6,175,875	6,643,138	(467,263)	(8%)
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO/EPO and Non-Cap HMO	17,895,822	12,024,648	5,871,174	33%	59,338,802	58,680,112	658,690	1%
12 Anthem MMP HMO Capitation	0	2,918	(2,918)	(100%)	7,134,390	6,142,277	992,113	14%
TOTAL CLAIMS DISBURSEMENTS	17,895,822	12,027,566	5,868,256	33%	66,473,192	64,822,389	1,650,803	2%
DISBURSEMENTS: Premiums								
13 Delta Dental	1,477,759	1,337,215	140,544	10%	5,024,381	4,962,420	61,961	1%
14 Vision Service Plan	279,368	183,502	95,866	34%	827,148	745,468	81,680	10%
15 Kaiser Permanente	7,157,779	6,081,034	1,076,745	15%	19,979,995	22,215,112	(2,235,117)	(11%)
TOTAL PREMIUM DISBURSEMENTS	8,914,906	7,601,751	1,313,155	15%	25,831,524	27,923,000	(2,091,476)	(8%)
TOTAL DISBURSEMENTS	28,777,861	21,302,070	7,475,791	26%	98,480,591	99,388,527	(907,936)	(1%)
16 Change in Reserve	603,568	3,411,316	2,807,748	(465%)	(487,886)	4,933,319	5,421,205	1111%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$29,381,429	\$24,713,386	(\$4,668,043)	(16%)	\$97,992,705	\$104,321,846	\$6,329,141	6%

*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 NINE AND ELEVEN MONTHS ENDED MAY 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*	\$40,678	\$50,660	\$10,230	203,942	250,960	51,201
Disbursements:						
Auditor-Treasurer Services	68,868			169,887		
Legal Services (CoF & CoT)	6,076			27,592		
Litigation	78,976			476,507		
Human Resource Services	19,608			175,477		
Insurance (Liability, Bond, Etc)				23,481		
Audit Fees	12,500			36,000		
Actuary Fees	\$13,000					
Bank Service Fees	2,494			11,989		
Wellness						
Communications						
Total Disbursements**	201,522			920,933		
Change in Administration, Wellness & Communications Reserve	(\$160,844)	\$50,660	\$10,230	(\$716,991)	\$250,960	\$51,201

*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 Eleven Months Ended May 31, 2018
(UNAUDITED)

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	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	\$ 615,112	\$ 679,464	\$ 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	4,107,274	6,081,219	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	4,722,386	6,760,683	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	4,324,576	4,071,656	39,509,934
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	11,962,913	8,534,985	100,784,985
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	16,287,489	12,606,641	140,294,919
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	4,260,224	4,054,509	39,835,731
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	9,988,968	8,548,915	96,691,770
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	14,249,192	12,603,424	136,527,501
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	679,464	696,612	696,612
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	6,081,219	6,067,290	6,067,290
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	\$ 6,760,683	\$ 6,763,902	6,763,902
Less Outstanding Checks												(750,984)
Cash per Estimated Statement of Net Position												<u>\$ 6,012,918</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.