

San Joaquin Valley Insurance Authority
Estimated Statement of Net Position
As of September 30, 2019
(UNAUDITED)

ASSETS

Current assets:	
Cash and cash equivalents	11,097,861
Due from other governmental units	191,638
Total current assets	<u>11,289,499</u>
Noncurrent assets:	
Other receivables	977,819
Total noncurrent assets	<u>977,819</u>
Total assets	<u><u>\$ 12,267,318</u></u>

LIABILITIES

Current liabilities:	
Accounts payable	4,069,000
Unearned member contributions	962,293
Unpaid claims and claims adjustment expenses	1,199,154
Total current liabilities	<u>6,230,447</u>
Noncurrent liabilities:	
Due to other governmental units	9,887,669
Interest payable	441,044
Total noncurrent liabilities	<u>10,328,713</u>
Total liabilities	<u><u>\$ 16,559,160</u></u>

NET POSITION

Unrestricted	(4,291,842)
Total net deficit	<u><u>\$ (4,291,842)</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 and four million is payable to the County of Tulare, both due by December 30, 2021.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS
AS OF SEPTEMBER 30, 2019
(UNAUDITED)

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS								
TOTAL RECEIPTS	\$27,664,965	\$ 33,807,863	\$ 6,142,898	22%	\$112,277,056	\$33,807,863	(\$78,469,193)	(70%)
DISBURSEMENTS: Fixed								
1 Specific Stop Loss Insurance (EPO/PPO)	489,462	609,574	(120,112)	(25%)	2,062,175	609,574	1,452,601	70%
2 Anthem Claims Administration & Network Fees (EPO/PPO)	884,158	1,111,807	(227,649)	(26%)	3,578,002	1,111,807	2,466,195	69%
3 Hourglass & ASI Administration (Anthem & Kaiser)	115,480	155,354	(39,874)	(35%)	461,920	155,354	306,566	66%
4 Keenan Consulting	89,857	128,384	(38,527)	(43%)	359,426	128,384	231,042	64%
5 SJVIA Administration	58,254	668,415	(610,161)	(1047%)	233,016	668,415	(435,399)	(187%)
6 Wellness	72,465	-	72,465	100%	289,860	-	289,860	100%
7 Communications	14,493	-	14,493	100%	57,972	-	57,972	100%
8 Delta Dental Claims Administration	111,630	-	111,630	100%	453,443	-	453,443	100%
9 ACA Reinsurance/PCORI (EPO/PPO)	-	27,854	(27,854)	0%	-	27,854	(27,854)	0%
TOTAL FIXED DISBURSEMENTS	1,835,798	2,701,388	(865,589)	(47%)	7,495,814	2,701,388	4,794,426	64%
DISBURSEMENTS: Claims								
10 Projected Paid Claims: EPO/PPO & RX	17,036,587	20,989,807	(3,953,220)	(23%)	69,544,622	20,989,807	48,554,815	70%
11 Projected Paid Claims Dental	951,115	-	951,115	100%	3,856,323	-	3,856,323	100%
TOTAL CLAIMS DISBURSEMENTS	17,987,701	20,989,807	(3,002,105)	(17%)	73,400,945	20,989,807	52,411,138	71%
DISBURSEMENTS: Premiums								
12 Delta Dental	258,928	772,349	(513,421)	(198%)	1,061,293	772,349	288,944	27%
13 Vision Service Plan	174,311	238,379	(64,068)	(37%)	707,700	238,379	469,321	66%
14 Kaiser Permanente	6,776,241	9,404,092	(2,627,851)	(39%)	26,592,095	9,404,092	17,188,003	65%
TOTAL PREMIUM DISBURSEMENTS	7,209,479	10,414,820	(3,205,340)	(44%)	28,361,088	10,414,820	17,946,268	63%
TOTAL DISBURSEMENTS	27,032,978	34,106,015	(7,073,037)	(26%)	109,257,847	34,106,015	75,151,832	69%
16 Change in Reserve	631,987	(298,152)	(930,139)	(147%)	3,019,209	(298,152)	(3,317,361)	(110%)
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$27,664,965	\$33,807,863	\$6,142,898	22%	112,277,056	\$33,807,863	(\$78,469,193)	(70%)

*The approved budget contains assumptions that may differ throughout the fiscal year. The budget amounts presented in this report were revised and approved on the 2/22/2019 Board Meeting.

Note: These schedules are on the cash basis.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ANALYSIS OF ADMINISTRATION, WELLNESS & COMMUNICATIONS (FEES) - RECEIPTS & DISBURSEMENTS
AS OF SEPTEMBER 30, 2019
(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 19-20						
Receipts*	53,685		13,637	53,685		13,637
Disbursements:						
Auditor-Treasurer Services	32,134			\$ 32,134		
Legal Services (CoF & CoT)	16,542			16,542		
Litigation	474,811			474,811		
Human Resource Services	43,362			43,362		
Insurance (Liability, Bond, Etc)	71,624			71,624		
Audit Fees	19,695			19,695		
Actuary Fees				-		
Bank Service Fees	10,247			10,247		
Wellness						
Communications						
Total Disbursements**	\$ 668,415	\$ -	\$ -	\$ 668,415	\$ -	\$ -
Change in Administration, Wellness & Communications Reserve	\$ (614,730)		\$13,637	\$ (614,730)		\$13,637

*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 Flows by Month
As of September 30, 2019
(UNAUDITED)

	JULY	AUGUST	SEPTEMBER	TOTAL
BEGINNING CASH BALANCES:				
Claims Funding Account (294)	\$ 530,373	\$ 382,713	\$ 710,859	\$ 530,373
Claims Main Account (819)	3,144,247	2,682,789	980,093	3,144,247
Investment Pool	9,710,504	9,345,969	12,533,705	9,710,504
Total Beginning Balances	13,385,124	12,411,471	14,224,657	13,385,124
 RECEIPTS:				
Claims Funding Account (294)	5,721,609	4,903,671	4,833,449	15,458,729
Claims Main Account (819)	9,687,192	8,732,786	8,648,210	27,068,188
Investment Pool	6,635,465	9,187,736	3,306,333	19,129,533
	22,044,266	22,824,193	16,787,992	61,656,450
 DISBURSEMENTS:				
Claims Funding Account (294)	5,869,269	4,575,525	4,888,215	15,333,009
Claims Main Account (819)	10,148,650	10,435,482	8,032,425	28,616,557
Investment Pool	7,000,000	6,000,000	6,000,000	19,000,000
TOTAL DISBURSEMENTS	23,017,919	21,011,007	18,920,640	62,949,566
 ENDING CASH BALANCES:				
Claims Funding Account (294)	382,713	710,859	656,093	656,093
Claims Main Account (819)	2,682,789	980,093	1,595,878	1,595,878
Investment Pool	9,345,969	12,533,705	9,840,038	9,840,037
Total Ending Balances	\$ 12,411,471	\$ 14,224,657	\$ 12,092,009	\$ 12,092,008
Less Outstanding Checks				(994,147)
Cash per Estimated Statement of Net Position				<u>\$ 11,097,861</u>

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 Administrative Solutions Inc. (ASi)/Hourglass Systems Administration (Anthem & Kaiser)

ASi and Hourglass are independent vendors providing COBRA billing, eligibility, automated enrollment and Section 125 administrative services. 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

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.

Glossary of Terms:

Actuals vs. Budgeted Receipts & Disbursements

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.