

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

ASSETS

Current assets:

Cash and cash equivalents	9,175,942
Due from other governmental units	<u>332,283</u>
Total current assets	<u>9,508,225</u>

Noncurrent assets:

Other receivables	<u>977,819</u>
Total noncurrent assets	<u>977,819</u>

Total assets	<u><u>\$ 10,486,044</u></u>
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LIABILITIES

Current liabilities:

Accounts payable	3,330,487
Unearned member contributions	2,342,023
Unpaid claims and claims adjustment expenses	<u>785,276</u>
Total current liabilities	<u>6,457,786</u>

Noncurrent liabilities:

Due to other governmental units	9,887,669
Interest payable	<u>290,327</u>
Total noncurrent liabilities	<u>10,177,996</u>

Total liabilities	<u><u>\$ 16,635,782</u></u>
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NET POSITION

Unrestricted	<u>(6,149,738)</u>
Total net deficit	<u><u>\$ (6,149,738)</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 DECEMBER 31, 2018
(UNAUDITED)

	Current Month				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS								
TOTAL RECEIPTS	\$29,381,429	\$ 59,910,775	\$ 30,529,346	104%	\$97,992,705	\$59,910,775	(\$38,081,930)	(39%)
DISBURSEMENTS: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	280,186	974,745	(694,559)	(248%)	828,394	974,745	(146,351)	(18%)
2 Anthem ASO Administration & Network Fees (PPO)	424,911	1,895,076	(1,470,165)	(346%)	1,320,371	1,895,076	(574,705)	(44%)
3 ASi/Hourglass Administration (PPO & Anthem HMO)	157,721	256,673	(98,952)	(63%)	510,473	256,673	253,800	50%
4 Keenan Consulting	113,627	219,288	(105,661)	(93%)	368,017	219,288	148,729	40%
5 SJVIA Administration	82,290	546,102	(463,812)	(564%)	246,870	546,102	(299,232)	(121%)
6 Wellness	84,796	-	84,796	100%	254,388	-	254,388	100%
7 Communications	16,957	-	16,957	100%	50,871	-	50,871	100%
8 Anthem HMO Pooling	225,358	-	225,358	100%	855,132	-	855,132	100%
9 Anthem HMO Administration/Retention	514,140	-	514,140	100%	1,532,894	-	1,532,894	100%
10 ACA Reinsurance (PPO & HMO)	67,147	30,379	36,768	55%	208,465	30,379	178,086	85%
TOTAL FIXED DISBURSEMENTS	1,967,133	3,922,263	(1,955,130)	(99%)	6,175,875	3,922,263	2,253,612	36%
DISBURSEMENTS: Claims								
11 Projected Paid Medical & Rx Claims-PPO/EPO and Non-Cap HMO	17,895,822	34,891,452	(16,995,630)	(95%)	59,338,802	34,891,452	24,447,350	41%
12 Anthem MMP HMO Capitation	-	(187,626)	187,626	(100%)	7,134,390	(187,626)	7,322,016	103%
TOTAL CLAIMS DISBURSEMENTS	17,895,822	34,703,826	(16,808,004)	(100%)	66,473,192	34,703,826	31,769,366	48%
DISBURSEMENTS: Premiums								
13 Delta Dental	1,477,759	3,017,201	(1,539,442)	(104%)	5,024,381	3,017,201	2,007,180	40%
14 Vision Service Plan	279,368	425,454	(146,086)	(52%)	827,148	425,454	401,694	49%
15 Kaiser Permanente	7,157,779	13,842,762	(6,684,983)	(93%)	19,979,995	13,842,762	6,137,233	31%
TOTAL PREMIUM DISBURSEMENTS	8,914,906	17,285,417	(8,370,511)	(94%)	25,831,524	17,285,417	8,546,107	33%
TOTAL DISBURSEMENTS	28,777,861	55,911,506	(27,133,645)	(94%)	98,480,591	55,911,506	42,569,085	43%
16 Change in Reserve	603,568	3,999,269	(3,395,701)	(563%)	(487,886)	3,999,269	(4,487,155)	920%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$29,381,429	\$59,910,775	\$30,529,346	104%	97,992,705	\$59,910,775	(\$38,081,930)	(39%)

*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
AS OF DECEMBER 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 18-19						
Receipts*	109,771		13,023	109,771		27,549
Disbursements:						
Auditor-Treasurer Services	30,408			\$ 36,690		
Legal Services (CoF & CoT)	10,671			132,265		
Litigation	127,734			214,865		
Human Resource Services	51,101			64,571		
Insurance (Liability, Bond, Etc)	30,362			69,317		
Audit Fees				13,700		
Actuary Fees				8,036		
Bank Service Fees	2,413			6,658		
Wellness						
Communications						
Total Disbursements**	\$ 252,689			\$ 546,102		
Change in Administration, Wellness & Communications Reserve	\$ (142,918)		\$13,023	\$ (436,331)		\$27,549

*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
As of December 31, 2018
(UNAUDITED)

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
BEGINNING CASH BALANCES:							
Claims Funding Account (294)	\$ 709,707	\$ 606,848	\$ 446,459	\$ 867,573	\$ 943,176	\$ 939,418	\$ 709,707
Claims Main Account (819)	6,648,884	7,044,230	7,125,203	9,162,580	6,688,313	9,037,777	6,648,884
Investment Pool	-	2	2	2	2	2	-
Total Beginning Balances	7,358,591	7,651,080	7,571,664	10,030,155	7,631,491	9,977,197	7,358,591
RECEIPTS:							
Claims Funding Account (294)	3,895,847	3,933,682	3,727,472	4,713,862	4,005,328	4,095,633	24,371,824
Claims Main Account (819)	8,661,781	8,616,028	11,330,542	5,546,196	11,831,331	8,369,048	54,354,926
Investment Pool	-	-	-	-	-	-	-
	12,557,628	12,549,710	15,058,014	10,260,058	15,836,659	12,464,681	78,726,750
DISBURSEMENTS:							
Claims Funding Account (294)	3,998,706	4,094,071	3,306,358	4,638,259	4,009,086	4,168,544	24,215,024
Claims Main Account (819)	8,266,435	8,535,055	9,293,165	8,020,463	9,481,867	8,219,042	51,816,027
Investment Pool	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	12,265,141	12,629,126	12,599,523	12,658,722	13,490,953	12,387,586	76,031,051
ENDING CASH BALANCES:							
Claims Funding Account (294)	606,848	446,459	867,573	943,176	939,418	866,507	866,507
Claims Main Account (819)	7,044,230	7,125,203	9,162,580	6,688,313	9,037,777	9,187,783	9,187,783
Investment Pool	2	2	2	2	2	2	2
Total Ending Balances	\$ 7,651,080	\$ 7,571,664	\$ 10,030,155	\$ 7,631,491	\$ 9,977,197	\$ 10,054,292	\$ 10,054,292
Less Outstanding Checks							(878,350)
Cash per Estimated Statement of Net Position							<u>\$ 9,175,942</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 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.