

**San Joaquin Valley Insurance Authority**  
**Estimated Statement of Net Position**  
**As of March 31, 2019**  
**(UNAUDITED)**

**ASSETS**

Current assets:	
Cash and cash equivalents	10,031,633
Due from other governmental units	3,311,638
Total current assets	<u>13,343,271</u>
Noncurrent assets:	
Other receivables	977,819
Total noncurrent assets	<u>977,819</u>
Total assets	<u>\$ 14,321,090</u>

**LIABILITIES**

Current liabilities:	
Accounts payable	3,920,592
Unearned member contributions	2,915,487
Unpaid claims and claims adjustment expenses	850,320
Total current liabilities	<u>7,686,399</u>
Noncurrent liabilities:	
Due to other governmental units	9,887,669
Interest payable	354,860
Total noncurrent liabilities	<u>10,242,529</u>
Total liabilities	<u>\$ 17,928,928</u>

**NET POSITION**

Unrestricted	(3,607,838)
Total net deficit	<u>\$ (3,607,838)</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 MARCH 31, 2019**  
**(UNAUDITED)**

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
<b>RECEIPTS</b>								
<b>TOTAL RECEIPTS</b>	<b>\$29,381,429</b>	<b>\$ 28,503,727</b>	<b>\$ (877,702)</b>	<b>(3%)</b>	<b>\$114,125,583</b>	<b>\$88,414,502</b>	<b>(\$25,711,081)</b>	<b>(23%)</b>
<b>DISBURSEMENTS: Fixed</b>								
1 Specific Stop Loss Insurance (EPO/PPO)	489,575	(61,804)	551,379	113%	1,865,163	912,941	952,222	51%
2 Anthem Claims Administration & Network Fees (EPO/PPO)	868,573	887,825	(19,252)	(2%)	3,419,270	2,782,901	636,369	19%
3 Hourglass & ASI Administration (Anthem & Kaiser)	115,007	116,229	(1,222)	(1%)	457,926	372,902	85,024	19%
4 Keenan Consulting	89,476	46,829	42,647	48%	356,423	266,117	90,306	25%
5 SJVIA Administration	58,026	320,603	(262,577)	(453%)	231,126	866,705	(635,579)	(275%)
6 Wellness	72,158	-	72,158	100%	287,438	-	287,438	100%
7 Communications	14,432	-	14,432	100%	57,488	-	57,488	100%
8 Anthem HMO Pooling/Retention	111,120	34	111,086	100%	222,239	34	222,205	100%
9 ACA Reinsurance (PPO & HMO)	-	-	-	0%	15,099	30,379	(15,280)	(101%)
<b>TOTAL FIXED DISBURSEMENTS</b>	<b>1,818,367</b>	<b>1,309,716</b>	<b>508,651</b>	<b>28%</b>	<b>6,912,172</b>	<b>5,231,979</b>	<b>1,680,193</b>	<b>24%</b>
<b>DISBURSEMENTS: Claims</b>								
10 Projected Paid Medical & Rx Claims- PPO/EPO and Non-Cap HMO	18,363,086	17,722,428	640,658	3%	70,486,878	52,613,880	17,872,998	25%
11 Anthem MMP HMO Capitation	1,105,505	-	1,105,505	100%	2,211,010	(187,626)	2,398,636	108%
<b>TOTAL CLAIMS DISBURSEMENTS</b>	<b>19,468,591</b>	<b>17,722,428</b>	<b>1,746,163</b>	<b>9%</b>	<b>72,697,888</b>	<b>52,426,254</b>	<b>20,271,634</b>	<b>28%</b>
<b>DISBURSEMENTS: Premiums</b>								
12 Delta Dental	261,144	355,612	(94,468)	(36%)	3,312,406	3,372,813	(60,407)	(2%)
13 Vision Service Plan	174,557	183,986	(9,429)	(5%)	718,857	609,440	109,417	15%
14 Kaiser Permanente	7,327,419	6,329,944	997,475	14%	28,184,022	20,172,706	8,011,316	28%
<b>TOTAL PREMIUM DISBURSEMENTS</b>	<b>7,763,120</b>	<b>6,869,542</b>	<b>893,578</b>	<b>12%</b>	<b>32,215,285</b>	<b>24,154,959</b>	<b>8,060,326</b>	<b>25%</b>
<b>TOTAL DISBURSEMENTS</b>	<b>29,050,078</b>	<b>25,901,686</b>	<b>3,148,392</b>	<b>11%</b>	<b>111,825,345</b>	<b>81,813,192</b>	<b>30,012,153</b>	<b>27%</b>
16 Change in Reserve	331,351	2,602,041	2,270,690	685%	2,300,238	6,601,310	4,301,072	187%
<b>COMBINED DISBURSEMENTS &amp; CHANGES IN RESERVES</b>	<b>\$29,381,429</b>	<b>\$28,503,727</b>	<b>(\$877,702)</b>	<b>(3%)</b>	<b>114,125,583</b>	<b>\$88,414,502</b>	<b>(\$25,711,081)</b>	<b>(23%)</b>

\*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 MARCH 31, 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)
<b>FY 18-19</b>						
<b>Receipts*</b>	58,587		14,826	168,358		42,375
<b>Disbursements:</b>						
Auditor-Treasurer Services	5,492			\$ 42,182		
Legal Services (CoF & CoT)	(10,128)			122,137		
Litigation	278,305			493,170		
Human Resource Services	34,782			99,353		
Insurance (Liability, Bond, Etc)				69,317		
Audit Fees	5,055			18,755		
Actuary Fees				8,036		
Bank Service Fees	7,097			13,755		
Wellness						
Communications						
<b>Total Disbursements**</b>	\$ 320,603	\$ -	\$ -	\$ 866,705	\$ -	\$ -
<b>Change in Administration, Wellness &amp; Communications Reserve</b>	\$ (262,016)		\$ 14,826	\$ (698,347)		\$ 42,375

\*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 March 31, 2019**  
**(UNAUDITED)**

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
<b>BEGINNING CASH BALANCES:</b>										
Claims Funding Account (294)	\$ 709,707	\$ 606,848	\$ 446,459	\$ 867,573	\$ 943,176	\$ 939,418	\$ 866,507	\$ 712,518	\$ 1,176,577	\$ 709,707
Claims Main Account (819)	6,648,884	7,044,230	7,125,203	9,162,580	6,688,313	9,037,777	9,187,783	9,221,246	9,186,089	6,648,884
Investment Pool	2	2	2	2	2	2	2	2	2	2
<b>Total Beginning Balances</b>	<b>7,358,593</b>	<b>7,651,080</b>	<b>7,571,664</b>	<b>10,030,155</b>	<b>7,631,491</b>	<b>9,977,197</b>	<b>10,054,292</b>	<b>9,933,766</b>	<b>10,362,668</b>	<b>7,358,593</b>
<b>RECEIPTS:</b>										
Claims Funding Account (294)	3,895,847	3,933,682	3,727,472	4,713,862	4,005,328	4,095,633	4,379,103	4,382,061	5,088,068	38,221,056
Claims Main Account (819)	8,661,781	8,616,028	11,330,542	5,546,196	11,831,331	8,369,048	8,699,500	8,832,953	9,996,978	81,884,357
Investment Pool	-	-	-	-	-	-	-	-	-	-
	12,557,628	12,549,710	15,058,014	10,260,058	15,836,659	12,464,681	13,078,603	13,215,014	15,085,046	120,105,413
<b>DISBURSEMENTS:</b>										
Claims Funding Account (294)	3,998,706	4,094,071	3,306,358	4,638,259	4,009,086	4,168,544	4,533,092	3,918,002	4,991,234	37,657,352
Claims Main Account (819)	8,266,435	8,535,055	9,293,165	8,020,463	9,481,867	8,219,042	8,666,037	8,868,110	9,207,698	78,557,872
Investment Pool	-	-	-	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>12,265,141</b>	<b>12,629,126</b>	<b>12,599,523</b>	<b>12,658,722</b>	<b>13,490,953</b>	<b>12,387,586</b>	<b>13,199,129</b>	<b>12,786,112</b>	<b>14,198,932</b>	<b>116,215,224</b>
<b>ENDING CASH BALANCES:</b>										
Claims Funding Account (294)	606,848	446,459	867,573	943,176	939,418	866,507	712,518	1,176,577	1,273,411	1,273,411
Claims Main Account (819)	7,044,230	7,125,203	9,162,580	6,688,313	9,037,777	9,187,783	9,221,246	9,186,089	9,975,369	9,975,369
Investment Pool	2	2	2	2	2	2	2	2	2	2
<b>Total Ending Balances</b>	<b>\$ 7,651,080</b>	<b>\$ 7,571,664</b>	<b>\$ 10,030,155</b>	<b>\$ 7,631,491</b>	<b>\$ 9,977,197</b>	<b>\$ 10,054,292</b>	<b>\$ 9,933,766</b>	<b>\$ 10,362,668</b>	<b>\$ 11,248,782</b>	<b>\$ 11,248,782</b>
Less Outstanding Checks										(1,217,150)
Cash per Estimated Statement of Net Position										<u>\$ 10,031,632</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.