

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

ASSETS

Current assets:

Cash and cash equivalents	12,398,910
Due from other governmental units	25,846
Investment income receivable	35,338
Total current assets	12,460,094

Noncurrent assets:

Other receivables	977,819
Total noncurrent assets	977,819

Total assets	\$ 13,437,913
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LIABILITIES

Current liabilities:

Accounts payable	3,373,909
Unearned member contributions	2,004,838
Unpaid claims and claims adjustment expenses	1,180,004
Total current liabilities	6,558,751

Noncurrent liabilities:

Due to other governmental units	9,887,669
Interest payable	392,153
Total noncurrent liabilities	10,279,822

Total liabilities	\$ 16,838,573
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NET POSITION

Unrestricted	(3,400,660)
Total net deficit	\$ (3,400,660)

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 JUNE 30, 2019
(UNAUDITED)

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%
RECEIPTS								
TOTAL RECEIPTS	\$29,381,429	\$ 27,903,132	\$ (1,478,297)	(5%)	\$114,125,583	\$116,322,026	\$2,196,443	2%
DISBURSEMENTS: Fixed								
1 Specific Stop Loss Insurance (EPO/PPO)	489,575	483,780	5,795	1%	1,865,163	1,396,721	468,442	25%
2 Anthem Claims Administration & Network Fees (EPO/PPO)	868,573	864,507	4,066	0%	3,419,270	3,647,408	(228,138)	(7%)
3 Hourglass & ASI Administration (Anthem & Kaiser)	115,007	116,024	(1,017)	(1%)	457,926	488,926	(31,000)	(7%)
4 Keenan Consulting	89,476	128,102	(38,626)	(43%)	356,423	394,219	(37,796)	(11%)
5 SJVIA Administration	58,026	479,614	(421,588)	(727%)	231,126	1,346,319	(1,115,193)	(483%)
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	-	111,120	100%	222,239	34	222,205	100%
9 ACA Reinsurance (PPO & HMO)	-	27,854	(27,854)	0%	15,099	58,233	(43,134)	(286%)
TOTAL FIXED DISBURSEMENTS	1,818,367	2,099,881	(281,514)	(15%)	6,912,172	7,331,860	(419,688)	(6%)
DISBURSEMENTS: Claims								
10 Projected Paid Medical & Rx Claims-PPO/EPO and Non-Cap HMO	18,363,086	17,227,736	1,135,350	6%	70,486,878	69,841,616	645,262	1%
11 Anthem MMP HMO Capitation	1,105,505	-	1,105,505	100%	2,211,010	(187,627)	2,398,637	108%
TOTAL CLAIMS DISBURSEMENTS	19,468,591	17,227,736	2,240,855	12%	72,697,888	69,653,989	3,043,899	4%
DISBURSEMENTS: Premiums								
12 Delta Dental	261,144	1,700,222	(1,439,078)	(551%)	3,312,406	5,073,035	(1,760,629)	(53%)
13 Vision Service Plan	174,557	182,642	(8,085)	(5%)	718,857	792,082	(73,225)	(10%)
14 Kaiser Permanente	7,327,419	6,448,181	879,238	12%	28,184,022	26,620,887	1,563,135	6%
TOTAL PREMIUM DISBURSEMENTS	7,763,120	8,331,045	(567,925)	(7%)	32,215,285	32,486,004	(270,719)	(1%)
TOTAL DISBURSEMENTS	29,050,078	27,658,662	1,391,416	5%	111,825,345	109,471,853	2,353,492	2%
16 Change in Reserve	331,351	244,470	(86,881)	(26%)	2,300,238	6,850,173	4,549,935	198%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$29,381,429	\$27,903,132	(\$1,478,297)	(5%)	114,125,583	\$116,322,026	\$2,196,443	2%

*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 JUNE 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 18-19						
Receipts*	53,342		13,548	221,700		55,923
Disbursements:						
Auditor-Treasurer Services	17,315			\$ 54,005		
Legal Services (CoF & CoT)	(29,819)			102,446		
Litigation	641,334			856,199		
Human Resource Services	123,007			187,578		
Insurance (Liability, Bond, Etc)				69,317		
Audit Fees	18,500			32,200		
Actuary Fees	14,001			22,037		
Bank Service Fees	15,879			22,537		
Wellness						
Communications						
Total Disbursements**	\$ 800,217	\$ -	\$ -	\$ 1,346,319	\$ -	\$ -
Change in Administration, Wellness & Communications Reserve	\$ (746,875)		\$ 13,548	\$ (1,124,619)		\$ 55,923

*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 June 30, 2019
(UNAUDITED)

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
BEGINNING CASH BALANCES:													
Claims Funding Account (294)	\$ 709,707	\$ 606,848	\$ 446,459	\$ 867,573	\$ 943,176	\$ 939,418	\$ 866,507	\$ 712,518	\$ 1,176,577	\$ 1,273,411	\$ 261,335	\$ (4,736)	\$ 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	9,975,369	10,819,216	1,720,435	6,648,884
Investment Pool	2	2	2	2	2	2	2	2	2	2	2	11,431,634	2
Total Beginning Balances	7,358,593	7,651,080	7,571,664	10,030,155	7,631,491	9,977,197	10,054,292	9,933,766	10,362,668	11,248,782	11,080,553	13,147,333	7,358,593
RECEIPTS:													
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	4,331,614	4,203,279	4,899,844	51,655,793
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	9,400,679	8,846,943	10,625,562	110,757,540
Investment Pool	-	-	-	-	-	-	-	-	-	-	11,431,632	6,278,870	17,710,502
	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	13,732,293	24,481,854	21,804,276	180,123,835
DISBURSEMENTS:													
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	5,343,690	4,469,350	4,364,735	51,835,128
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	8,556,832	17,945,724	9,201,750	114,262,178
Investment Pool	-	-	-	-	-	-	-	-	-	-	-	8,000,000	8,000,000
TOTAL DISBURSEMENTS	12,265,141	12,629,126	12,599,523	12,658,722	13,490,953	12,387,586	13,199,129	12,786,112	14,198,932	13,900,522	22,415,074	21,566,485	174,097,306
ENDING CASH BALANCES:													
Claims Funding Account (294)	606,848	446,459	867,573	943,176	939,418	866,507	712,518	1,176,577	1,273,411	261,335	(4,736)	530,373	530,372
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	10,819,216	1,720,435	3,144,247	3,144,246
Investment Pool	2	2	2	2	2	2	2	2	2	2	11,431,634	9,710,504	9,710,504
Total Ending Balances	\$ 7,651,080	\$ 7,571,664	\$ 10,030,155	\$ 7,631,491	\$ 9,977,197	\$ 10,054,292	\$ 9,933,766	\$ 10,362,668	\$ 11,248,782	\$ 11,080,553	\$ 13,147,333	\$ 13,385,124	\$ 13,385,122
Less Outstanding Checks													(986,212)
Cash per Estimated Statement of Net Position													<u>\$ 12,398,910</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.