



# P R E S S     R E L E A S E

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**For Immediate Release**

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## **San Joaquin Valley Insurance Authority Maintains Lower Cost But Absorbs ACA Increases**

San Joaquin Valley Insurance Authority officials recently approved an overall rate increase that equates to 5.1 percent and leaves members of the SJVIA paying up to 7 to 9 percent less for health insurance costs compared to industry trends of 12 to 14 percent increases.

Tulare County Board of Supervisors Chairman Pete Vander Poel, who is also an SJVIA board member, said the main factor behind the rise in health insurance can be attributed to the Affordable Care Act (ACA). For example, of the proposed 5.3 percent rate increase to Tulare County's Anthem Blue Cross plans, 3 percent can be directly attributed to ACA taxes and fees.

"While rates have increased, the bottom line is we have been able to keep health care costs down over an extended period of time," Chairman Vander Poel said.

Fresno County Supervisor Debbie Poochigian, who serves as Vice Chair on the SJVIA Board of Directors, said "The SJVIA has helped drive down costs for the participating agencies and provided minimal rate increases. However, it should be noted that approximately \$2.3 million dollars of the projected increase next year is directly related to mandated costs from the Affordable Care Act."

Chairman Vander Poel credits participation in the SJVIA as the main reason for keeping costs down. For example, employees enrolled in SJVIA plans did not have increased rates in 2012. The SJVIA was created in 2009 by Fresno and Tulare counties under the advisement of Gallagher Benefit Services who serves as the consultant for both entities. The organization was developed for the purpose of achieving greater critical mass for health insurance volume purchasing and reduced administrative costs. Since the SJVIA was formed, the cities of Ceres, Reedley, Sanger, San Joaquin, Shafter, Tulare, and Waterford have joined.

The SJVIA has a current budget of \$89 million and purchases health insurance for more than 12,500 employees and dependents.

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