



**BOARD OF DIRECTORS**

ANDREAS BORGEAS

JUDITH CASE MCNAIRY

MIKE ENNIS

PHIL LARSON

DEBORAH A. POCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 7, 2014 9:00 AM**

**AGENDA DATE:** November 7, 2014

**ITEM NUMBER:** 17

**SUBJECT:** Receive and File SJVIA Executive Claims Summary through August 2014 (I)

**REQUEST(S):** That the Board Receive and File SJVIA Executive Claims Summary through August 2014

**DESCRIPTION:**

The attached report provides an overview of several key plan metrics and is used to identify trends and outliers. As requested by your board, a "Large Claims Report" has been included in the Monthly Claims Report (page 3). This summary details on-going claims that are over \$100,000 paid-to-date. The "pooling point" is the maximum amount the SJVIA could pay in a plan year for each individual on the plan. For historical purposes, the pooling point for the HMO plan is \$400,000 and the pooling point for the PPO plan is \$450,000. The pooling point for the HMO plan was increased from \$250,000 to \$400,000 in plan year 2013. When claims reach the pooling point the SJVIA is no longer liable for the payment of further eligible claims within the policy year.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 7, 2014

In addition to the founding Counties (Fresno and Tulare), this report includes data for:

- City of Tulare, which joined the SJVIA effective July 1, 2012
- City of Ceres, which joined SJVIA effective January 1, 2013
- City of Waterford, which joined the SJVIA effective June 1, 2013
- City of San Joaquin, which joined the SJVIA effective July 1, 2013
- City of Shafter, which joined the SJVIA effective July 1, 2013
- City of Sanger, which joined the SJVIA effective July 1, 2013
- City of Gustine, which joined the SJVIA effective October 1, 2013
- City of Riverbank, which joined the SJVIA effective January 1, 2014
- City of Newman, which joined the SJVIA effective January 1, 2014
- City of Reedley, which joined the SJVIA effective January 1, 2014
- City of Wasco, which joined the SJVIA effective January 1, 2014
- City of Farmersville, which joined the SJVIA effective January 1, 2014

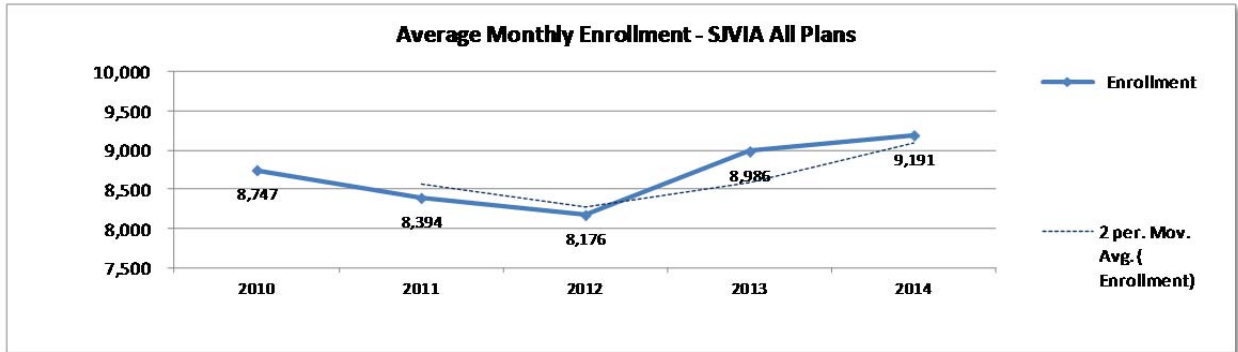
Comparing claims “Per Employee Per Month” (PEPM) can be a good indicator of overall medical inflationary trends. The overall yearly averages are below:

Plan Year	HMO	PPO	Overall
2010	<u>\$586.15</u> PEPM	<u>\$495.09</u> PEPM	<u>\$547.67</u> PEPM
2011	<u>\$681.06</u> PEPM	<u>\$553.64</u> PEPM	<u>\$628.33</u> PEPM
2012	<u>\$713.19</u> PEPM	<u>\$551.65</u> PEPM	<u>\$637.06</u> PEPM
2013	<u>\$783.07</u> PEPM	<u>\$517.95</u> PEPM	<u>\$667.02</u> PEPM
2014 (through August)	<u>\$780.15</u> PEPM	<u>\$647.23</u> PEPM	<u>\$722.98</u> PEPM

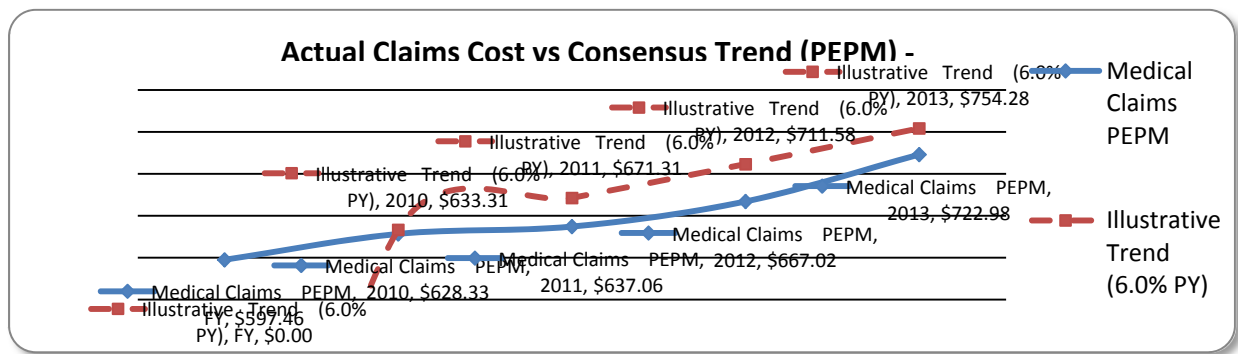
**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 7, 2014

The chart below shows average monthly enrollment in all SJVIA plans since inception. Enrollment dropped slightly in 2011 and 2012 but increased 9.9% in 2013 due to increased participation in the founding members' population as well as the addition of the new entities mentioned above. Membership continues to grow in 2014 as a result of new entities joining the SJVIA.



The chart below shows actual claims costs (Per Employee Per Month) for all of the SJVIA plans. These values are represented by the blue line with corresponding average claims from the table above. For illustrative purposes, we have included a consensus trend line (red line) that represents a level, year over year, 6% medical inflationary trend assumption. The differential between these two lines demonstrates the savings the SJVIA has realized over a normal, consensus medical trend assumption.



Overall weighted annual medical trend since inception of the SJVIA has been 4.20%

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 7, 2014

**FISCAL IMPACT/FINANCING:**

Informational Only

**ADMINISTRATIVE SIGN-OFF:**



---

Rhonda Sjostrom  
SJVIA Manager



---

Paul Nerland  
SJVIA Assistant Manager