



BOARD OF DIRECTORS

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STEVE WORTHLEY

**Meeting Location:
Tulare County Employee Retirement
Association Board Chambers
136 N Akers St
Visalia, CA 93921
February 21, 2014 9:00 AM**

AGENDA DATE: February 21, 2014

ITEM NUMBER: 11

SUBJECT: Receive and File Executive Claims Summary through December 2013

REQUEST(S): That the Board Receive and File Executive Claims Summary through December 2013

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 Claim 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.

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The attached Monthly Claims Report reflects claims data through December 2013. For comparative purposes, the attached report includes 2012 data. In addition to the founding Counties (Fresno and Tulare), this report includes data for:

- City of Tulare, which began participating in the SJVIA effective July, 2012
- City of Ceres, which joined SJVIA effective January 2013
- City of Waterford, which joined the SJVIA effective June 2013
- City of San Joaquin, which joined the SJVIA effective July 2013
- City of Shafter, which joined the SJVIA effective July 2013
- City of Sanger, which joined the SJVIA effective July 2013
- City of Gustine, which joined the SJVIA effective October 2013

Claims Report Highlights:

- Year-to-date total enrollment in the SJVIA has increased 9.9% when comparing 2012 enrollment to 2013 enrollment. The annual total of enrolled employees increased from 98,193 to 107,821.
- Year-to-date total premium collected in the SJVIA has increased 13.9% (2012 premium collected vs 2013 premium collected)
- Year-to-date total claims in the SJVIA have increased 10.1% (2012 claims vs 2013 claims)
- The HMO plan total claims were \$47,473,796
- The PPO plan total claims were \$24,445,122

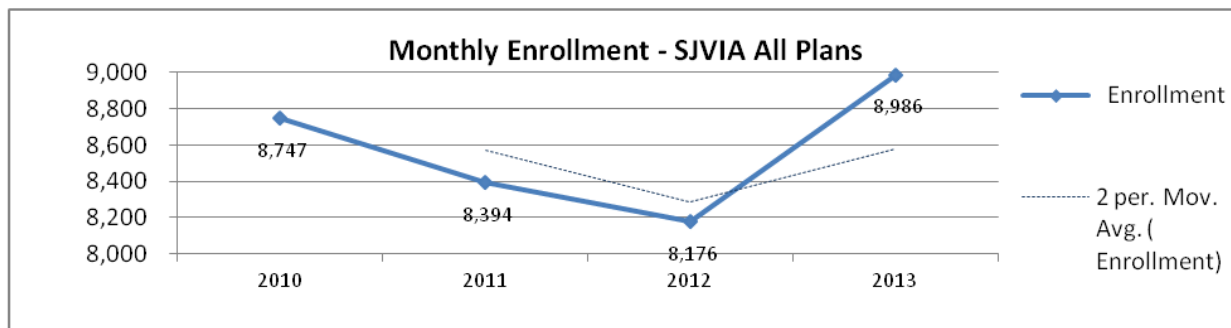
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Comparing claims “Per Employee Per Month” (PEPM) can be a good indicator of overall medical inflationary trends. Although page 7 shows the PEPM trend each month for each year, the overall yearly averages are below:

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

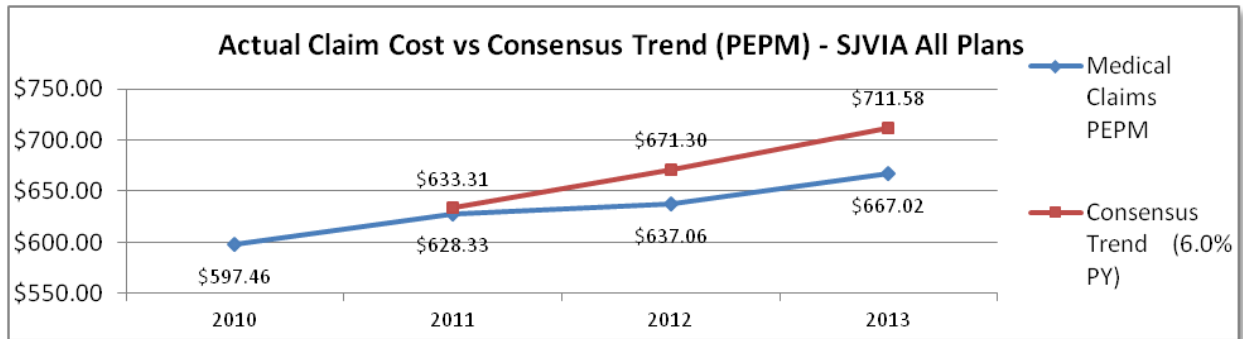
The chart below shows average monthly enrollment in all SJVIA plans since inception. Enrollment dropped slightly in 2011 and 2012 but increased 9.9% in 2013 due to increased participation in the founding members’ population as well as the addition of the new entities mentioned above.



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.

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The complete 2013 Executive Claims Summary is attached.

FISCAL IMPACT/FINANCING:

None

ADMINISTRATIVE SIGN-OFF:

Paul Nerland
SJVIA Manager

Rhonda Sjostrom
SJVIA Assistant Manager

**BEFORE THE BOARD OF DIRECTORS
SAN JOAQUIN VALLEY INSURANCE
AUTHORITY**

IN THE MATTER OF Receiving and filing Executive Claims Summary through
December 2013

RESOLUTION NO. _____
AGREEMENT NO. _____

UPON MOTION OF DIRECTOR _____, SECONDED BY
DIRECTOR _____, THE FOLLOWING WAS ADOPTED BY
THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board received and filed Executive Claims Summary through
December 2013