



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

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J. STEVEN WORTHLEY

Meeting Location:
**Tulare County Employees' Retirement
Association Board Chambers**
136 N Akers St
Visalia, CA 93291
July 25, 2014 9:00 AM

AGENDA DATE: July 25, 2014

ITEM NUMBER: 10

SUBJECT: Receive and File SJVIA Executive Claims Summary through May 2014

REQUEST(S): That the Board Receive and File SJVIA Executive Claims Summary through May 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.

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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
- 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

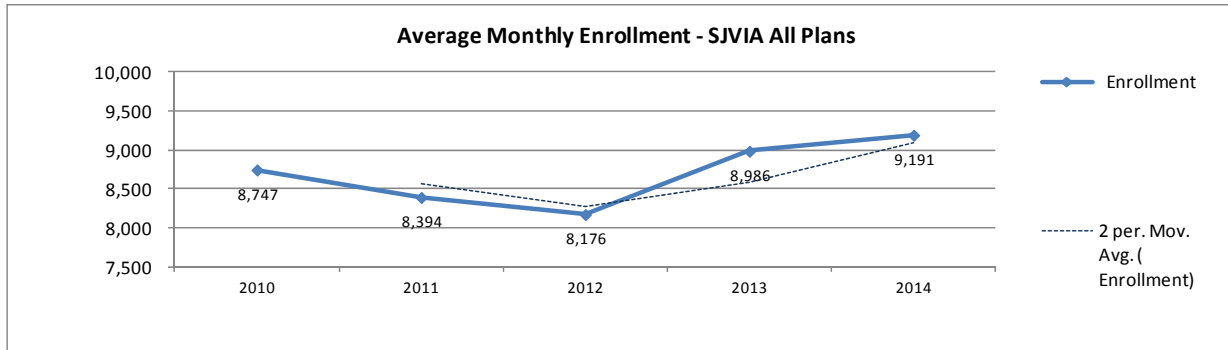
Comparing claims “Per Employee Per Month” (PEPM) can be a good indicator of overall medical inflationary trends. The overall yearly averages are below:

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 May)	<u>\$757.86</u> PEPM	<u>\$600.60</u> PEPM	<u>\$690.30</u> PEPM

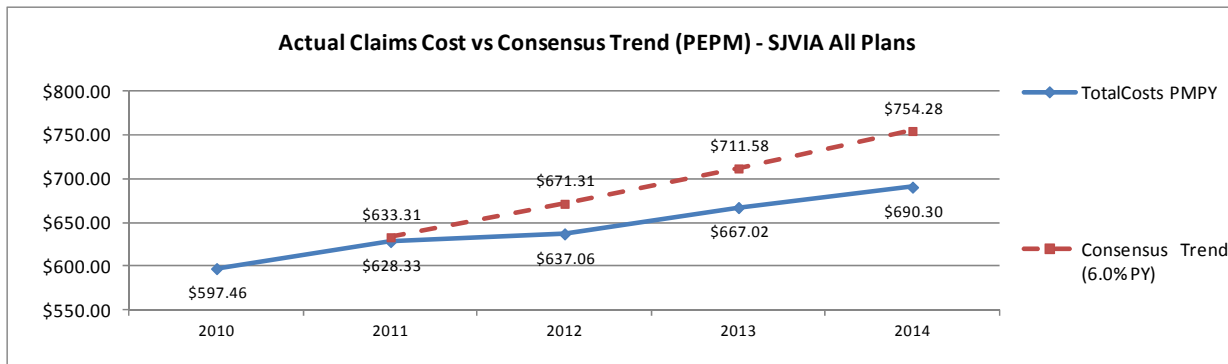
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The chart below shows average monthly enrollment in all SJVIA plans since inception. Enrollment dropped slightly in 2011 and 2012 but increased 9.9% in 2013 due to increased participation in the founding members' population as well as the addition 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 medical trend since inception of the SJVIA has been 3.68%

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FISCAL IMPACT/FINANCING:

Informational Only

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
Assistant SJVIA Manager

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

IN THE MATTER OF Receive and File SJVIA Executive Claims Summary
through May 2014

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 SJVIA Executive Claims Summary through
May 2014