

SJVIA 2013 - 2014 FISCAL BUDGET - REVISED

REVENUE	
SJVIA Health Plan Revenue	
Medical & Rx	\$ 83,720,643
Dental	\$ 5,454,060
Vision	\$ 943,266
Kaiser Premium	<u>\$ 4,479,980</u>
TOTAL REVENUE	\$ 94,597,948

EXPENSES: Fixed

1 Specific & Aggregate Stop Loss Insurance (PPO)	\$ 615,764
2 Administration & Network Fees (PPO)	\$ 1,312,027
3 Chimienti Associates/Hourglass Administration (PPO & Anthem HMO)	\$ 705,900
4 GBS Consulting	\$ 434,400
5 SJVIA Association Fee	\$ 217,200
6 SJVIA Non-Founding Member Fee	\$ 18,816
7 Wellness/Communications	\$ 325,800
8 Anthem HMO Pooling	\$ 1,354,993
9 Anthem HMO Administration/Retention	\$ 2,385,791
10 ACA Reinsurance (PPO)	\$ 162,588
11 ACA Reinsurance (HMO)	\$ 355,699
12 ACA Insurer Fee (HMO)	<u>\$ 695,756</u>
TOTAL FIXED EXPENSES	\$ 8,584,735

EXPENSES: Claims

13 Projected Paid Claims PPO	\$ 26,940,180
14 Projected Non-Cap HMO Claims	\$ 33,330,872
15 Anthem MMP HMO Capitation (Fixed Claims Cost)	<u>\$ 16,359,367</u>
TOTAL CLAIMS EXPENSES	\$ 76,630,419

16 Delta Dental	\$ 5,454,060
17 VSP	\$ 943,266
18 Kaiser Permanente	<u>\$ 4,479,980</u>
	\$ 10,877,306

TOTAL PROJECTED EXPENSES	\$ 96,092,460
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Beginning Reserve	\$ 10,055,460
Add - Revenue	\$ 94,597,948
Less - Expenses	\$ (96,092,460)
Equals - Ending Reserves	\$ 8,560,949

Glossary of Terms:

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 Anthem ASO Administration & Network Fees (PPO):

ASO is "Administrative Services Only". This definition includes Anthem Blue Cross administration fees and includes access fees to use the Blue Cross network of providers. This is the administration fee for the PPO plan(s), not the HMO plan.

3 Chimienti Associates/Hourglass Administration (PPO & Anthem HMO)

Chimienti & Associates is an independent vendor providing consolidated billing, eligibility, automated enrollment and Section 125 administrative services. Hourglass and ASI are subcontractors to Chimienti Associates that assist in these administrative processes. This line is for non-Kaiser business.

4 GBS Consulting

Gallagher Benefit Services (GBS) is a national 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. GBS played a significant role in the formation and establishment of SJVIA.

5 SJVIA Association Fee

The association fee 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.

6 SJVIA Non-Founding Member Fee

This additional fee will be assessed to non-founding member entities and be used to offset administrative, management, legal, accounting and other services needed to effectively establish and maintain proper functioning of the Joint Powers Authority.

7 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

Anthem Blue Cross administration fees and includes access fees to use the Blue Cross network of providers for the HMO plan.

10 ACA Reinsurance (PPO)

The Affordable Care Act (ACA) includes the following fees on insurance plans: 1) Patient Centered Outcomes Research Institute (PCORI) - this fee is \$2.00 per covered member per year. 2) Transitional Reinsurance Fee - this fee is \$63.00 per covered member per year.

11 ACA Reinsurance (HMO)

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12 ACA Insurer Fee (HMO)

The Affordable Care Act (ACA) levys a new tax on insurers of approximately 2.5% of total premiums. Since the SJVIA is self-insured for the PPO membership, this tax is only collected on the HMO membership.

13 Projected Paid Claims PPO

Projected self-insured PPO claims for medical and Rx and non-capitated HMO claims (hospital)

14 Projected Non-Cap HMO Claims

Projected self-insured PPO claims for medical and Rx and non-capitated HMO claims (hospital)

15 Anthem MMP 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

16 Delta Dental

Premium for entities covered under the SJVIA Delta Dental program

17 VSP

Premium for entities covered under the SJVIA VSP Vision program

18 Kaiser Permanente

Premium for entities covered under the SJVIA Kaiser HMO program