

San Joaquin Valley Insurance Authority
Estimated Statement of Net Position
As of June 30, 2020
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	21,960,717
Due from other governmental units	28,563
Interest Receivable	90,741
Other receivables	977,819
Total current assets	23,057,840

Total assets	\$ 23,057,840
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LIABILITIES

Current liabilities:

Accounts payable	3,874,618
Unearned member contributions	1,228,892
Unpaid claims and claims adjustment expenses	1,354,228
Total current liabilities	6,457,738

Noncurrent liabilities:

Loans payable	9,000,000
Due to other governmental units	884,432
Interest payable	594,895
Total noncurrent liabilities	10,479,327

Total liabilities	\$ 16,937,065
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NET POSITION

Unrestricted	6,120,775
Total net position	\$ 6,120,775

Note:

This statement of net position is presented on an accrual basis. Certain related adjustments presented in this report are estimates. Additionally, this statement of net position does not include an IBNR accrual. Of the \$9,000,000 currently loaned to SJVIA, \$5,000,000 is payable to the County of Fresno and \$4,000,000 is payable to the County of Tulare, both due by December 30, 2021.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS
AS OF JUNE 30, 2020
(UNAUDITED)

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS								
TOTAL RECEIPTS	\$28,473,564	\$ 30,675,784	\$ 2,202,220	8%	\$112,277,056	\$125,290,225	\$13,013,169	12%
DISBURSEMENTS: Fixed								
1 Specific Stop Loss Insurance (EPO/PPO)	541,626	504,130	37,496	7%	2,062,175	2,105,990	(43,815)	(2%)
2 Anthem Claims Administration & Network Fees (EPO/PPO)	904,843	882,956	21,887	2%	3,578,002	3,746,177	(168,175)	(5%)
3 Hourglass & ASI Administration (Anthem & Kaiser)	115,480	117,278	(1,798)	(2%)	461,920	507,482	(45,562)	(10%)
4 Keenan Consulting	89,857	116,771	(26,914)	(30%)	359,426	475,877	(116,451)	(32%)
5 SJVIA Administration	58,254	214,170	(155,916)	(268%)	233,016	2,554,187	(2,321,171)	(996%)
6 Wellness	72,465	-	72,465	100%	289,860	-	289,860	100%
7 Communications	14,493	-	14,493	100%	57,972	-	57,972	100%
8 Delta Dental Claims Administration	115,092	-	115,092	100%	453,443	-	453,443	100%
9 ACA Reinsurance/PCORI (EPO/PPO)	-	28,598	(28,598)	0%	-	56,452	(56,452)	0%
TOTAL FIXED DISBURSEMENTS	1,912,109	1,863,903	48,207	3%	7,495,814	9,446,165	(1,950,351)	(26%)
DISBURSEMENTS: Claims								
10 Projected Paid Claims: EPO/PPO & RX	17,735,725	15,708,813	2,026,912	11%	69,544,622	70,776,193	(1,231,571)	(2%)
11 Projected Paid Claims Dental	977,047	216,837	760,210	78%	3,856,323	3,160,036	696,287	18%
TOTAL CLAIMS DISBURSEMENTS	18,712,772	15,925,650	2,787,122	15%	73,400,945	73,936,229	(535,284)	(1%)
DISBURSEMENTS: Premiums								
12 Delta Dental	271,719	360,430	(88,711)	(33%)	1,061,293	1,565,094	(503,801)	(47%)
13 Vision Service Plan	179,540	186,482	(6,942)	(4%)	707,700	794,486	(86,786)	(12%)
14 Kaiser Permanente	6,519,807	6,459,658	60,149	1%	26,592,095	28,966,827	(2,374,732)	(9%)
TOTAL PREMIUM DISBURSEMENTS	6,971,065	7,006,570	(35,504)	(1%)	28,361,088	31,326,407	(2,965,319)	(10%)
TOTAL DISBURSEMENTS	27,595,946	24,796,123	2,799,823	10%	109,257,847	114,708,801	(5,450,954)	(5%)
16 Change in Reserve	877,618	5,879,661	5,002,043	570%	3,019,209	10,581,424	7,562,215	250%
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$28,473,564	\$30,675,784	\$2,202,220	8%	112,277,056	\$125,290,225	\$13,013,169	12%

*The approved budget contains assumptions that may differ throughout the fiscal year. The budget amounts presented in this report were revised and approved on the 7/19/2019 Board Meeting.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ANALYSIS OF ADMINISTRATION, WELLNESS & COMMUNICATIONS (FEES) - RECEIPTS & DISBURSEMENTS
AS OF JUNE 30, 2020
(UNAUDITED)

	Current Quarter			Year-To-Date		
	SJVIA FEES			SJVIA FEES		
	Administration (*Line 5)	Wellness (*Line 6)	Communication (*Line 7)	Administration (Line 5)	Wellness (Line 6)	Communication (Line 7)
<u>FY 19-20</u>						
Receipts*	53,558		13,658	224,836		
Disbursements:						
Auditor-Treasurer Services	15,942			75,860		
Legal Services (CoF & CoT)	4,677			49,698		
Litigation	136,088			2,108,207		
Human Resource Services	25,963			138,315		
Insurance (Liability, Bond, Etc)				71,624		
Audit Fees	25,000			80,145		
Actuary Fees						
Bank Service Fees	6,500			30,338		
Wellness						
Communications						
Total Disbursements**	\$ 214,170	\$ -	\$ -	\$ 2,554,187	\$ -	\$ -
Change in Administration, Wellness & Communications Reserve	\$ (160,612)		\$ 13,658	\$ (2,329,351)		

*Receipts consist of fees collected from relevant enrollees at the following rates per employee per month: Various rates for administration(\$2.00 for SJVIA administration fees & various rates for non-founding member fees depending upon a participant's enrollment), \$2.50 for wellness & \$.50 for communications fees.

**Total disbursements for each column correspond to the line number shown on the "ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS" report.

San Joaquin Valley Insurance Authority
Schedule of Cash Flows by Month
As of June 30, 2020
(UNAUDITED)

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
BEGINNING CASH BALANCES:													
Claims Funding Account (294)	\$ 530,373	\$ 382,713	\$ 710,859	\$ 656,093	\$ 710,661	\$ 101,709	\$ 185,725	\$ 366,296	\$ 608,197	\$ 107,255	\$ 422,637	\$ 245,258	\$ 530,373
Claims Main Account (819)	3,144,247	2,682,789	980,093	1,595,878	2,805,543	3,265,198	2,505,841	2,516,578	1,190,016	2,157,250	1,462,788	2,446,828	3,144,247
Investment Pool	9,710,504	9,345,969	12,533,705	9,840,038	10,306,952	11,074,128	14,454,088	12,116,886	15,914,402	16,639,893	17,376,010	21,005,676	9,710,504
Total Beginning Balances	13,385,124	12,411,471	14,224,657	12,092,009	13,823,156	14,441,035	17,145,654	14,999,760	17,712,615	18,904,398	19,261,435	23,697,762	13,385,124
RECEIPTS:													
Claims Funding Account (294)	5,721,609	4,903,671	4,833,449	5,011,111	4,028,695	4,417,732	4,443,269	4,752,173	4,621,692	3,841,110	3,539,495	4,448,851	54,562,857
Claims Main Account (819)	9,687,192	8,732,786	8,648,210	11,650,802	8,778,663	8,622,868	8,701,463	8,661,499	8,855,182	8,856,732	9,338,989	9,516,588	110,050,974
Investment Pool	6,635,465	9,187,736	3,306,333	9,466,914	6,767,176	9,379,960	3,662,798	9,797,516	6,725,491	6,736,117	9,629,666	3,665,304	84,960,475
	22,044,266	22,824,193	16,787,992	26,128,827	19,574,534	22,420,560	16,807,530	23,211,188	20,202,365	19,433,959	22,508,150	17,630,743	249,574,306
DISBURSEMENTS:													
Claims Funding Account (294)	5,869,269	4,575,525	4,888,215	4,956,543	4,637,647	4,333,716	4,262,698	4,510,272	5,122,634	3,525,728	3,716,874	4,478,825	54,877,946
Claims Main Account (819)	10,148,650	10,435,482	8,032,425	10,441,137	8,319,008	9,382,225	8,690,726	9,988,061	7,887,948	9,551,194	8,354,949	8,286,554	109,518,359
Investment Pool	7,000,000	6,000,000	6,000,000	9,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	76,000,000
TOTAL DISBURSEMENTS	23,017,919	21,011,007	18,920,640	24,397,680	18,956,655	19,715,941	18,953,424	20,498,333	19,010,582	19,076,922	18,071,823	18,765,379	240,396,305
ENDING CASH BALANCES:													
Claims Funding Account (294)	382,713	710,859	656,093	710,661	101,709	185,725	366,296	608,197	107,255	422,637	245,258	215,284	215,284
Claims Main Account (819)	2,682,789	980,093	1,595,878	2,805,543	3,265,198	2,505,841	2,516,578	1,190,016	2,157,250	1,462,788	2,446,828	3,676,862	3,676,862
Investment Pool	9,345,969	12,533,705	9,840,038	10,306,952	11,074,128	14,454,088	12,116,886	15,914,402	16,639,893	17,376,010	21,005,676	18,670,980	18,670,979
Total Ending Balances	\$ 12,411,471	\$ 14,224,657	\$ 12,092,009	\$ 13,823,156	\$ 14,441,035	\$ 17,145,654	\$ 14,999,760	\$ 17,712,615	\$ 18,904,398	\$ 19,261,435	\$ 23,697,762	\$ 22,563,126	\$ 22,563,125
Less Outstanding Checks													(602,408)
Cash per Estimated Statement of Net Position													<u>\$ 21,960,717</u>

Glossary of Terms:

Actuals vs. Budgeted Receipts & Disbursements

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 Administration & Network Fees (Anthem & Blue Shield PPO)

ASO is "Administrative Services Only". These are administrative services for the PPO plans. This definition includes Anthem Blue Cross & Health Now Administrative Services administration fees and includes access fees to use the Anthem Blue Cross & Blue Shield networks of providers. These services do not include the Anthem HMO plan.

3 Administrative Solutions Inc. (ASi)/Hourglass Systems Administration (Anthem & Kaiser)

ASi and Hourglass are independent vendors providing COBRA billing, eligibility, automated enrollment and Section 125 administrative services. This line is for health plans excluding HealthNow/Blue Shield.

4 Benefit Consulting

These are payments to the 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.

5 SJVIA Administration

These fees 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. It includes the association fee and the non-founding member fee which is assessed to non-founding member entities.

6 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

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

10 ACA Reinsurance/PCORI (PPO & HMO)

The Affordable Care Act (ACA) includes the following fees on insurance plans: 1) Patient Centered Outcomes Research Institute (PCORI) fee. 2) Transitional Reinsurance Fee.

11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO

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

12 Anthem MPP 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.

13 Delta Dental

Premium for entities covered under the SJVIA Delta Dental program.

Glossary of Terms:

Actuals vs. Budgeted Receipts & Disbursements

14 Vision Service Plan

Premium for entities covered under the SJVIA VSP Vision program.

15 Kaiser Permanente

Premium for entities covered under the SJVIA Kaiser HMO program.

16 Change in Reserve

Excess receipts over claims, premiums and fixed costs.

Estimated Statement of Net Position

17 Due from other governmental units

These represent premiums due to SJVIA from various participants.

18 Other receivables

This is primarily a deposit that SJVIA is required to keep with Anthem Blue Cross as part of the capitated HMO claims activity. For a discussion of capitated HMO claims, see item 12 above.

19 Accounts payable

This represents non-claims payments owed to vendors which have not yet been remitted.

20 Unearned member contributions

This represents premiums paid early to SJVIA before the premiums are due.

21 Unpaid claims and claims adjustment expenses

This represents claims payments owed to vendors which have not yet been remitted.

22 Due to other governmental units

This represents various loans made to SJVIA by the County of Fresno & the County of Tulare as well as start up payments made by the County of Fresno at SJVIA's inception.

23 Unrestricted Net Position

This represents the assets less any liabilities.