

Introduction

The 2018 preliminary renewal for the SJVIA self-funded medical program was presented at the July 14, 2017 SJVIA Board meeting. At the Board meeting direction was given by the Board to come back at the August 25, 2017 Board meeting with final renewal recommendations. The direction given included the following:

- Update the renewal for the most recent plan experience (move from the preliminary renewal plan experience of June 1, 2016 through May 31, 2017 and update to July 1, 2016 through June 30, 2017).
- Eliminate all cross subsidies (specifically for the All Other Group). Each group is to stand on its own for claims experience and share fixed costs.
- As a result of the action taken by the Board, have each group stand alone on its experience. Keenan requested and the Board gave direction for the All Other group to have a separate reinsurance level, since on their own, the All Other group would be too small to have a \$450,000 pooling level. Keenan has sought reinsurance quotes for the All Other Group at \$100,000, \$75,000, and \$50,000.
- The Board also took action to elect a new PBM. The preliminary renewal applied the savings proposal of the PBM with the lesser savings. Since the Board elected the PBM with greater savings, the PBM savings were revised in the final renewal to reflect the PBM selected.
- At the Board meeting it was determined to keep the risk share model between County of Fresno and County of Tulare. Subsequent communications directed the removal of the risk charge. Since the initial risk share model is neutral in cost to the two Counties, Keenan has prepared both scenarios so that the SJVIA Board can discuss the merits and concerns of entering into a risk share arrangement.
- Subsequent communications also requested a separate pooling level for the County of Tulare. Since this communication did not happen until August 4th, the request did not allow sufficient time to secure alternate reinsurance quotes for the next SJVIA Board meeting. The request will be addressed as part of our due diligence of securing the reinsurance for the SJVIA. Specifically, Keenan will request quotes for 2018 at the following levels: \$500,000, \$450,000, \$400,000, \$350,000, \$300,000 and \$250,000. The quotes are to be provided for the SJVIA on an overall basis. And for the County of Fresno and the County of Tulare separately.
- In reviewing the reinsurance program, it was recognized that a significant difference in the dependent ratio existed (County of Fresno has 43.3% of employees covering dependents, while the County of Tulare has 19.0% of employees covering dependents). In order to provide greater equity in the reinsurance cost, Keenan will be allocating the reinsurance cost with consideration for the dependent ratio.
- County of Tulare requested the EPO as a new line of coverage. Keenan has prepared an option for the County of Tulare assuming a 10% migration from its' other PPO plans to the EPO plan.

Built into both scenarios are calculations for the change in IBNR and a margin. This means there is a recommended IBNR Reserve and Stabilization Reserve build up inherent within the preliminary renewal rates. Later in the report we will provide the allocation amounts, should the Board have an interest in adjusting the margin and reserve level.

Executive Summary

Keenan is pleased to present the 2018 SJVIA final renewal. The following table illustrates the 2018 renewal adjustments.

Executive Summary	Final Renewal			Comments on Renewal Options
	COF	COT	All Other	
Self-Funded Medical				The Renewal includes an overall IBNR reserve build up and Margin of 2.1% COF and 5.6% COT. The Board could consider maintaining 2017 rates for the COF and the COT and passing on the required increases to all other. This would reduce the reserve
EPO	0.0%	N/A	36.8%	
PPO/HDHP	12.4%	3.3%	4.5%	
Total	1.9%	3.3%	25.1%	
Kaiser HMO	-4.8%	-5.4%	-4.8%	To maintain parity between the EPO and Kaiser, the Board may want to consider maintaining the 2017 rates for Kaiser for 2018 for all groups that offer the EPO plan. Kaiser will allow the SJVIA to hold funds in 2018, as opposed to 2017 where all funds (except \$10 ppm) were held by Kaiser.
Delta Dental				Delta Dental is offering a rate pass for 2018, with a premium holiday for January 2018, and a decreased billed rate of -2.0%. The premium holiday and rate subsidy would reduce the premium stabilization reserve.
PPO	0.0%	0.0%		
DHMO	5.4%	5.4%		
VSP				VSP provided three options, all provide two year rate guarantees. The 7.5% increase is merited based on the plan experience. The rate options decrease the reserve from 5% to 2% to 0% respectively. Only City of Ceres has the vision from the All Other Group.
Option 1	7.5%	7.5%	7.5%	
Option 2	4.2%	4.2%	4.2%	
Option 3	2.0%	2.0%	2.0%	

The self-funded program was updated for plan experience through June 30, 2017. This adversely impacted the plan by \$1.3 million, of which \$1,054,404 impacted the County of Tulare.

The SJVIA has given consideration to a risk share model between the two counties. Keenan provided two renewal options (with and without risk share arrangement). The renewal cost is neutral and is more philosophical between the two counties. Since the reinsurance is set at \$450,000, do the two counties want to assist each other by smoothing the cost impact of claims between \$200K and \$450K for County of Tulare, \$250k and \$450k for the County of Fresno? Given last month's claim experience, the County of Tulare would have moved \$109,237 in the shared risk pool, while the County of Fresno would have moved \$21,064. Had the risk share model been currently in place it would have had a more positive outcome for the County of Tulare.

All fees associated with the self-funded program and running the SJVIA, have been finalized with the exception of the reinsurance program. Keenan will look to provide the reinsurance quotes and receive board approval in the fourth quarter.

Preliminary Renewal Review

Had the SJVIA simply renewed the current benefit offering the renewal requirement for the self-funded plans would have been 9.0%. The preliminary renewal provided an overall renewal adjustment of 3.0% as the following table illustrates:

Proposed Scenario	County of Fresno	County of Tulare	All Other	Total
EPO	2.9%	N/A	5.1%	3.0%
PPO and HDHP	11.8%	-0.2%	3.6%	2.9%
Total	4.2%	-0.2%	4.6%	3.0%

The 2018 preliminary renewal was reduced by \$5.6M for the EPO and new PBM implementation. The \$5.6M represents 75% of the projected EPO and PBM savings. The renewal includes 4.2% (\$3.7M) for the buildup of IBNR and Stabilization Reserve. Should the SJVIA board elect a pass on rates for all groups (0.0%), the margin and stabilization reserve accumulation would be \$1.26M or 1.4% of premium.

Changes from the Preliminary to Final Renewal

The plan experience was updated to include the month of June, 2017 and drop the oldest month of the plan experience May, 2016. The net impact of the updated plan experience resulted in an increase in claim cost of \$1,312,266. Of this amount only an additional \$1,128 would be reimbursed by the reinsurer.

Paid Claims	County of Fresno	County of Tulare	All Other	Total
6/1/16-5/30/17	\$ 37,398,641	\$ 18,353,940	\$ 2,720,763	\$ 58,473,344
7/1/16-6/30/17	\$ 37,554,257	\$ 19,408,344	\$ 2,823,009	\$ 59,785,610
Difference	\$ 155,616	\$ 1,054,404	\$ 102,246	\$ 1,312,266
Large Claims Pooling	County of Fresno	County of Tulare	All Other	Total
6/1/16-5/30/17	\$ 680,680	\$ -	\$ -	\$ 680,680
7/1/16-6/30/17	\$ 681,808	\$ -	\$ -	\$ 681,808
Difference	\$ 1,128	\$ -	\$ -	\$ 1,128
Pooled Risk	County of Fresno	County of Tulare	All Other	Total
6/1/16-5/30/17	\$ 812,212	\$ 216,476	\$ -	\$ 1,028,688
7/1/16-6/30/17	\$ 833,276	\$ 325,713	\$ -	\$ 1,158,989
Difference	\$ 21,064	\$ 109,237	\$ -	\$ 130,301

Of the additional \$1.3 million in claim cost, \$1,054,404 was incurred by the County of Tulare, \$155,616 by the County of Fresno and \$102,246 by the All Other Group.

The risk share model would have had an additional \$109,237 applied to the pool from the County of Tulare and \$21,064 from the County of Fresno.

Unfortunately, the updated plan experience adversely impacted the final renewal.

Final Renewal Development

Based on the updated plan experience, the direction given from the Board and the SJVIA, the removal of one month of trend, and updated change in PBM savings, the final renewal adjusted from the plan experience was updated to include the month of June, 2017 and drop the month June, 2016.

Final Renewal	COF	COT	All Other	Total
EPO	0.0%	N/A	36.8%	1.5%
PPO and HDHP	12.4%	3.3%	4.5%	5.6%
Total	1.9%	3.3%	25.1%	3.2%

Inherent within the renewal is Keenan's recommended reserve accumulation for the change in Incurred But Not Reported (IBNR) reserve requirement and margin requirement.

The change in IBNR reserve is used to change the claim basis from a paid basis to an incurred basis. It is based on each groups claim lag experience. Please note that the change in IBNR is negative for the County of Fresno, due to the plan changes implemented and improved plan experience for the EPO. The increase in IBNR in the County of Tulare is due to the adverse claim activity the County recently experienced and its impact on the claim lag.

The margin is added to provide claim stabilization. The following table illustrates the reserving elements included in the final renewal.

Change in IBNR	COF	COT	All Other	Total
EPO	-\$168,899	N/A	\$202,317	\$33,418
PPO and HDHP	-\$132,879	\$786,031	\$2,466	\$655,618
Total	-\$301,778	\$786,031	\$204,783	\$689,035
Margin / Stabilization	COF	COT	All Other	Total
EPO	\$1,135,838	N/A	\$72,775	\$1,208,614
PPO and HDHP	\$273,601	\$685,607	\$24,602	\$983,811
Total	\$1,409,439	\$685,607	\$97,378	\$2,192,424
Total IBNR / Margin Built into the Renewal	COF	COT	All Other	Total
EPO	\$966,939	N/A	\$275,092	\$1,242,031
PPO and HDHP	\$140,722	\$1,471,638	\$27,069	\$1,639,428
Total	\$1,107,661	\$1,471,638	\$302,161	\$2,881,460
IBNR / Margin as a % of Renewal Cost	COF	COT	All Other	Total
EPO	2.3%	N/A	8.6%	2.7%
PPO and HDHP	1.4%	5.6%	2.4%	4.4%
Total	2.1%	5.6%	7.0%	3.4%

Rate Action

Based on the renewal, Keenan developed the following rate action:

SJVIA		Enrollment		2017 Monthly Rates				Proposed 2018 Monthly Rates			
County of Fresno	Total	EE	ES	EC	EF	Rate Δ	EE	ES	EC	EF	
Anthem \$250	146	\$ 1,002	\$ 2,102	\$ 1,905	\$ 2,904	12.4%	\$ 1,126	\$ 2,363	\$ 2,141	\$ 3,264	
Anthem \$1000	28	\$ 744	\$ 1,561	\$ 1,414	\$ 2,156	12.4%	\$ 836	\$ 1,755	\$ 1,589	\$ 2,423	
Anthem \$1500 Active	29	\$ 674	\$ 1,415	\$ 1,282	\$ 1,955	12.4%	\$ 758	\$ 1,590	\$ 1,441	\$ 2,197	
Anthem \$1500 Retiree	147	\$ 771	\$ 1,365	\$ 1,204	\$ 1,797	12.4%	\$ 867	\$ 1,534	\$ 1,353	\$ 2,020	
Anthem \$3000	562	\$ 551	\$ 1,167	\$ 1,046	\$ 1,594	12.4%	\$ 619	\$ 1,312	\$ 1,176	\$ 1,792	
Anthem EPO	3,111	\$ 792	\$ 1,400	\$ 1,235	\$ 1,842	0.0%	\$ 792	\$ 1,400	\$ 1,235	\$ 1,842	
Total, %, \$ Diff.	4,023		\$49,815,684			2.1%	\$50,851,128		\$1,035,444		
County of Tulare	Total	EE	ES	EC	EF	Rate Δ	EE	ES	EC	EF	
Anthem \$0	273	\$ 878.65	\$ 1,756.37	\$ 1,603.29	\$ 2,662.81	3.3%	\$ 907.71	\$ 1,814.46	\$ 1,656.32	\$ 2,750.89	
Anthem \$500	772	\$ 661.64	\$ 1,323.94	\$ 1,212.57	\$ 2,088.17	3.3%	\$ 683.52	\$ 1,367.73	\$ 1,252.68	\$ 2,157.24	
Anthem \$1000	2,095	\$ 581.20	\$ 1,161.58	\$ 1,065.82	\$ 1,770.73	3.3%	\$ 600.42	\$ 1,200.00	\$ 1,101.07	\$ 1,829.30	
Anthem \$2500	39	\$ 550.83	\$ 1,100.79	\$ 1,010.06	\$ 1,678.12	3.3%	\$ 569.05	\$ 1,137.20	\$ 1,043.47	\$ 1,733.63	
Total, %, \$ Diff.	3,179		\$28,812,539			3.3%	\$29,765,423		\$952,884		
City of Ceres	Total	EE	EE + 1	EF	Rate Δ	EE	EE + 1	EF			
Anthem \$3000	5	\$ 585.02	\$ 1,239.19	\$ 1,692.98	4.5%	\$ 611.41	\$ 1,295.09	\$ 1,769.35			
Anthem EPO	115	\$ 634.06	\$ 1,337.86	\$ 1,914.85	36.8%	\$ 867.26	\$ 1,829.91	\$ 2,619.11			
Total, %, \$ Diff.	120		\$2,202,927		35.9%	\$2,993,232		\$790,305			
City of Marysville	Total	EE	EE + 1	EF	Rate Δ	EE	EE + 1	EF			
Anthem \$250	40	\$ 873.30	\$ 1,746.61	\$ 2,271.06	4.5%	\$ 912.69	\$ 1,825.40	\$ 2,373.50			
Anthem \$500	2	\$ 787.98	\$ 1,575.97	\$ 2,049.18	4.5%	\$ 823.52	\$ 1,647.06	\$ 2,141.62			
Total, %, \$ Diff.	42		\$912,810		4.5%	\$953,985		\$41,175			
City of Waterford	Total	EE	ES	EC	EF	Rate Δ	EE	ES	EC	EF	
Anthem EPO	11	\$ 634.05	\$ 1,121.08	\$ 989.49	\$ 1,475.22	36.8%	\$ 867.25	\$ 1,533.40	\$ 1,353.41	\$ 2,017.79	
Anthem PPO 250	5	\$ 634.05	\$ 1,121.08	\$ 989.49	\$ 1,475.22	4.5%	\$ 662.65	\$ 1,171.65	\$ 1,034.12	\$ 1,541.77	
Total, %, \$ Diff.	16		\$241,303			27.1%	\$306,628		\$65,325		

Kaiser 2018 Renewal

Kaiser's renewal is providing a -4.8% decrease for 2018 including a contribution to wellness.

To maintain parity between the Anthem EPO and Kaiser HMO plans, Kaiser is agreeable that the SJVIA may modify the rate to the SJVIA members. One option for the SJVIA would be to hold the present 2017 rates. Keenan estimates that this would return to the SJVIA \$1,055,354 in reserves.

Kaiser - Rate Decrease over 2017		
County of Fresno	\$	912,534
County of Tulare	\$	103,486
City of Ceres	\$	34,718
City of Marysville	\$	4,616
Total	\$	1,055,354

Delta Dental Renewal

Delta Dental is requesting the following renewal action

- Delta Dental PPO – 0.00%, and a premium holiday for January, 2018 valued at \$384,320.
- DeltaCare – 5.37%

Delta Dental has accrued a Premium Stabilization Reserve (PSR) \$867,127 as of May 31, 2017. Keenan negotiated with Delta Dental to reduce the rates paid Delta Dental to further reduce the PSR. Delta Agreed to reduce the rates by 2.0%. This will save the SJVIA an additional \$87,356.16.

Vision Service Plan (VSP) Renewal

VSP has offered the following renewal scenarios.

- Option 1- **7.5%** increase for a period of 24 months.
- Option 2- Reduce VSP's requested reserve from 5% to 2% for a period of 24 months, offering an increase of **4.2%** for a period of 24 months or a 5% increase for a period of 36 months.
- Option 3- Reduce VSP's requested reserve from 5% to 0% for a period of 24 months offering an increase of **2.0%** for a period of 24 months or a 3% increase for a period of 36 months.

The renewal increase is mainly due to a 97.1% loss ratio over the past 12 months (July 2016-June 2017) and a 105.5% loss ratio for year-to-date 2017.

Appendix A – Self-funded Medical Underwriting

The Overall Renewal Requirement

Keenan first developed the overall renewal requirement for Total Medical, the EPO, the PPO, and the High Deductible Health Plan (HDHP) PPO. Using the overall renewal requirements as a basis, separate renewal action and rates were determined for each participating entity based on the credibility of each entities plan experience.

Credibility - Based on the SJVIA Board instruction the County of Fresno, the County of Tulare and the All Other Group are to each stand on their own experience. Meaning each of the three groups receives 100% credibility.

Underwriting Methodology - The following chart illustrates the underwriting methodology which was used for the EPO, PPO, HDHP PPO, and Total Medical/Rx.

Type of Coverage		EPO, PPO, HDHP PPO, or Total Medical		
Line of Coverage	Calculation	Medical	RX	Total
A	Paid Claims			
B	Large Claim Adj.			
C	Adj. Paid Claims	A-B		
D	Pooled Claim Risk Adj.			
E	Adj. Paid Claims	C-D		
F	Beginning IBNR			
G	Ending IBNR			
H	Change in IBNR	G-F		
I	Incurred Claims	E+H		
J	Total Covered Employees			
K	Incurred Claims PEPM	I/J		
L	Months of Trend			
M	Trend			
N	Trend Factor	$(1+M)^{(L/12)}$		
O	Projected Claims	$K*N$		
P	Plan Design Adjustment			
Q	Selection Adjustment			
R	Margin			
S	Adj. Projected Claims	$O*P*Q*(1+R)$		
T	Fixed Cost PEPM			
U	Specific Stop Loss			
V	Aggregate Stop Loss			
W	Risk Share Pool Charge	$(D/J)*N*(1+R)$		
X	Anthem Network/Admin.			
Y	JPA Admin			
Z	Benefits Admin. System			
AA	COBRA/Retiree Admin.			
AB	Consulting (Keenan)			
AC	Other Program Fees			
AD	Total Fixed Cost	Sum(U:AC)		
AE	Required Premium PEPM	S+AD		
AF	Current Premium PEPM			
AG	Percentage Rate Adjustment	AE/AF-1		
AH	Current/Projected Enrollment			
AI	Annual Dollar Difference	$(AE-AF)*AH*12$		

Notes:

PEPM - Per Employee Per Month

Other Program Fees include: Wellness, SJVIA Non-Founding Member Fee, PCORI/Transitional Reinsurance, and Capitation fee (for HMO only).

A - Paid Claims - The most recent 12 months (July 1, 2016 through June 30, 2017) of paid claims (known as the experience period) was used for the renewal.

B - Large Claim Adjustment

All paid claims by claimants in excess of the projected specific reinsurance level (current level \$450,000) were accumulated and deducted from the paid claim total. This accounts for the value in C Adj. Paid Claims.

D – Pooled Claim Risk Adjustment

A pooled claim risk adjustment is being shown for the County of Tulare and the County of Fresno. The risk share level is determined by enrollment. The risk share levels utilized are as follows:

- County of Tulare, risk share level \$200,000 to the proposed reinsurance level (currently \$450,000)
- County of Fresno, risk share level \$250,000 to the proposed reinsurance level (currently \$450,000)

All paid claims by claimants in excess of the proposed risk share level and up to the projected specific reinsurance level (current level \$450,000) will be accumulated and deducted from the paid claim total. This accounts for the value in E Adj. Paid Claims. This risk share model is new to the SJVIA and introduces a layer of risk share that will normalize renewals and outlines specifically how risk is shared among its members going forward. The following table illustrates the pooled amounts by both Counties and the associated risk charge.

Pooled Risk	COF	COT	Total
Pooled Amount	\$833,276	\$325,713	\$1,158,989
PEPM Risk Charge	\$18.48	\$12.06	\$15.70

The risk share model is neutral to the projected 2018 cost for each County in the first year. Should the Counties prefer not to risk share, the pooled claims would revert to the paid claims and the risk charge would be eliminated, which offsets each other. Appendix B illustrates the self-funded renewal with the risk share model. Appendix C illustrates the self-funded renewal without the risk share model. Minor cost differentials exist in the exhibits which are due to rounding. The differences do not have a significant impact on cost.

H – Change in IBNR

IBNR (Incurred But Not Reported) claim reserve represents the dollar amount needed to pay run out claims. F-Beginning IBNR represents the IBNR reserve total estimated for the beginning of the experience period. G-Ending IBNR represents an IBNR adjustment for the end of the experience period. The difference (G-F=H) is added to the adjusted paid claims (E) and the result is the incurred claim (I) amount over the experience period.

The proposed 2018 rates include the follow dollar amounts to build up the IBNR reserve.

Change in IBNR	COF	COT	All Other	Total
EPO	-\$168,899	N/A	\$202,317	\$33,418
PPO and HDHP	-\$132,879	\$786,031	\$2,466	\$655,618
Total	-\$301,778	\$786,031	\$204,783	\$689,035

K - Incurred Claims Per Employee Per Month (PEPM)

By taking the incurred claim total (I) and dividing it by the total enrollment over the experience period the result is (K) Incurred claims PEPM. Once claims were placed into an incurred claim PEPM, Keenan projected the 2018 claims.

O – Projected Claims

Projected claims are forecasted based on applying a trend factor (N). In order to apply a trend factor, the number of months of trend (L) needs to be calculated, and a trend (M) assumption must be made.

Keenan utilized 18 months of trend. Trend was determined by calculating the internal trend of the SJVIA coverage and market-based trend. The following trend was utilized:

Trend	COF	COT	All Other	Total
EPO - Medical	8.0%	8.0%	8.0%	8.0%
EPO - Rx	10.0%	10.0%	10.0%	10.0%
PPO/HDHP - Medical	5.3%	8.0%	8.0%	7.2%
PPO/HDHP - RX	10.0%	10.0%	10.0%	10.0%

The number of months of trend and annual trend percentages were applied to the following formula to arrive at the trend factor:

$$(1+\text{trend})^{\text{raised to the (number of months of trend/12)}}$$

The result is the trend factor which was used to project claims from the experience period to the renewal period. The trend factor (N) is multiplied by the incurred claim PEPM (K) to arrive at the projected paid claim PEPM (O).

S – Adjusted Projected Paid Claims PEPM

The projected claim amount in (O) assumes no changes in the plan design (P), selection (Q), or margin (R). The projected paid claims PEPM need to be adjusted for any changes in plan designs. For 2018, the valuation of moving from the HMO to the EPO was valued as well as the adjustment for changing PBM.

R - Margin / Stabilization Reserve

A 3.0% margin was applied to the projected incurred claims to account for claims fluctuation. Margin accounts for a reserve buildup in the 2018 rates of \$2,192,424. The margin accumulation will accrue as follows:

Margin / Stabilization	COF	COT	All Other	Total
EPO	\$1,135,838	N/A	\$72,775	\$1,208,614
PPO and HDHP	\$273,601	\$685,607	\$24,602	\$983,811
Total	\$1,409,439	\$685,607	\$97,378	\$2,192,424

T - Total Fixed Costs PEPM

With the final projected paid claims set, fixed costs need to be added to arrive at the total cost PEPM. Fixed costs are outlined in items U through AC. Most of these values will come from the SJVIA's vendor partners. The risk share pool charge is calculated based on the risk share exposure (D)/(J) total enrollment * trend factor (N) * (1+R) margin. The following table illustrates the fixed costs associated with each entity:

SJVIA Total Fixed Costs	2017	2018 Renewal	
	Current	PPO	EPO
Specific Stop-Loss Premium PEPM (Estimated)			
COT	\$18.64	\$23.38*	\$23.38*
COF	\$18.64	\$18.05*	\$18.05*
All Other @ \$75,000	\$18.64	\$385.30*	\$385.30*
Aggregate Stop-Loss Premium PEPM (Estimated)	\$1.19	\$1.03*	\$1.03*
Anthem Network & Admin. Fees			
ASO Admin Fee	\$30.75	\$32.34	\$43.85
Health & Wellness Services	\$1.78	\$1.49	\$1.49
Total ASO Admin Fee	\$32.53	\$33.83	\$45.34
Pooled Risk Charge			
COF	N/A	\$18.48	\$18.48
COT	N/A	\$12.06	\$12.06
Wellness	\$2.50	\$2.50	\$2.50
Claims Mgmt/Communication	\$0.50	\$0.50	\$0.50
Consulting Fee	\$3.35	\$3.35	\$3.35
SJVIA Fee	\$2.00	\$2.00	\$2.00
SJVIA Non-Founding Member Fee	\$2.00	\$2.00	\$2.00
Hourglass and ASI (Ben Admin System)			
COF	\$5.20	\$4.65	\$4.65
COT	\$5.20	\$3.90	\$3.90
Ceres	\$5.20	\$4.65	\$4.65
Marysville	\$5.20	\$3.65	\$3.65
Waterford	\$5.20	\$3.65	\$3.65
PCORI/Transitional Reinsurance	\$0.36	\$0.36	\$0.36

*Estimated

AJ – Percentage Rate Adjustment

The percentage rate adjustment is calculated based on total cost (AH) required premium, ((V) + (AG))/ divided by current premium (AI). Current Premium is calculated by taking the current monthly premium and dividing it by current monthly enrollment.

Final Renewal	COF	COT	All Other	Total
EPO	0.0%	N/A	36.8%	1.5%
PPO and HDHP	12.4%	3.3%	4.5%	5.6%
Total	1.9%	3.3%	25.1%	3.2%

AL – Annual Dollar Difference

The annual dollar difference is calculated by taking the dollar difference in PEPM between required premium (AH) and current premium (AI) multiplied by current enrollment (AK) multiplied by 12. The following table illustrates the dollar impact of the 2018 renewal action on each group.

Total Renewal Cost	COF	COT	All Other	Total
EPO	\$42,941,542	N/A	\$3,185,122	\$46,126,664
PPO and HDHP	\$10,383,499	\$26,165,482	\$1,121,098	\$37,670,079
Total	\$53,325,041	\$26,165,482	\$4,306,220	\$83,796,743
Total Current Cost	COF	COT	All Other	Total
EPO	\$42,932,104	N/A	\$2,328,668	\$45,260,772
PPO and HDHP	\$9,237,950	\$25,327,728	\$1,072,709	\$35,638,388
Total	\$52,170,054	\$25,327,728	\$3,401,378	\$80,899,160
Δ in Annual Cost	COF	COT	All Other	Total
EPO	\$9,438	N/A	\$856,454	\$865,892
PPO and HDHP	\$1,145,549	\$837,754	\$48,388	\$2,031,691
Total	\$1,154,987	\$837,754	\$904,842	\$2,897,583

Appendix B – Self-funded Medical Underwriting with Risk Share

Line	EPO Line Item/Description	Fresno			Tulare			All Others			Total		
		Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
1	Non-Cap Paid Claims (July 2016 through June 2017)	\$19,923,198	\$9,869,500	\$29,792,698				\$1,615,854	\$246,776	\$1,862,630	\$21,539,052	\$10,116,276	\$31,655,328
2	Capitation Claims (July 2016 through June 2017)	\$11,787,032	\$0	\$11,787,032				\$531,427	\$0	\$531,427	\$12,318,459	\$0	\$12,318,459
3	Savings from HMO to EPO conversion	(\$1,944,860)	\$0	(\$1,944,860)				(\$87,685)	\$0	(\$87,685)	(\$2,032,545)	\$0	(\$2,032,545)
4	Savings from Change of PBM	\$0	(\$1,508,729)	(\$1,508,729)				\$0	(\$37,724)	(\$37,724)	\$0	(\$1,546,453)	(\$1,546,453)
5	Large Claim Adjustment (Pooling Level: \$450,000)	(\$681,808)	\$0	(\$681,808)				(\$632,155)	\$0	(\$632,155)	(\$1,313,964)	\$0	(\$1,313,964)
6	Adjusted Paid Claims	\$29,083,562	\$8,360,771	\$37,444,333				\$1,427,441	\$209,052	\$1,636,492	\$30,511,002	\$8,569,823	\$39,080,825
7	Pooled Claim Risk Adjustment (Fresno: \$250,000)	(\$716,348)	\$0	(\$716,348)				\$0	\$0	\$0	(\$716,348)	\$0	(\$716,348)
8	Adjusted Paid Claims	\$28,367,214	\$8,360,771	\$36,727,985				\$1,427,441	\$209,052	\$1,636,492	\$29,794,654	\$8,569,823	\$38,364,477
9	Beginning Reserves @ 6/30/2016	(\$2,098,837)	(\$616,921)	(\$2,715,758)				(\$260,887)	(\$14,260)	(\$275,147)	(\$2,359,724)	(\$631,181)	(\$2,990,905)
10	Ending Reserves @ 6/30/2017	\$1,960,467	\$592,170	\$2,552,637				\$409,239	\$14,807	\$424,046	\$2,369,706	\$606,977	\$2,976,683
11	Incurred Claims (July 2016 through June 2017)	\$28,228,844	\$8,336,020	\$36,564,864				\$1,575,793	\$209,599	\$1,785,391	\$29,804,636	\$8,545,619	\$38,350,256
12	Total Covered Employees (May 2016 through Apr 2017)	41,745	41,745	41,745				1,273	1,273	1,273	43,018	43,018	43,018
13	Claims Cost PEPM	\$676.22	\$199.69	\$875.91				\$1,237.86	\$164.65	\$1,402.51	\$692.84	\$198.65	\$891.49
14	Trend Factor	1.1224	1.1537	1.1295				1.1224	1.1537	1.1261	1.1224	1.1537	1.1294
15	Projected Claims Cost Per Employee	\$758.99	\$230.38	\$989.37				\$1,389.37	\$189.96	\$1,579.33	\$777.64	\$229.19	\$1,006.83
16	<u>Recommended Funding Margin</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>				<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
17	Adjusted Projected Claims	\$781.76	\$237.29	\$1,019.05				\$1,431.05	\$195.65	\$1,626.71	\$800.97	\$236.06	\$1,037.03
Fixed Costs PEPM													
18	Specific Stop-Loss Premium PEPM (Estimate)			\$23.38						\$385.30			\$34.09
19	Aggregate Stop-Loss Premium PEPM (Estimate)			\$1.03						\$1.03			\$1.03
20	Risk Share Pool Charge			\$19.96						\$0.00			\$19.37
21	Anthem Network & Administrative Fees			\$45.34						\$45.34			\$45.34
22	<u>All Other Program Fees</u>			<u>\$13.36</u>						<u>\$15.27</u>			<u>\$13.42</u>
23	Total Fixed Costs			\$103.07						\$446.94			\$113.25
24	Required Premium PEPM			\$1,122.13						\$2,073.65			\$1,150.28
25	Current Premium PEPM			\$1,121.88						\$1,516.06			\$1,133.54
26	Required Increase			0.02%						36.78%			1.48%
27	Current Subscribers (June 2017)	3,189	3,189					128	128		3,317	3,317	
28	Base Trend	8.00%	10.00%					8.00%	10.00%		8.00%	10.00%	
29	Months Trended	18	18					18	18		18	18	
30	Internal Pooling Point	\$250,000	N/A					\$75,000	N/A				

Notes:

Other Program Fees include: Wellness, Claims Management/Communication, Consulting Fees, SJVIA Fees, SJVIA Non-Founding Member Fee, Hourglass/ASI, and PCORI.

Assumes 10% stop loss renewal increase for 2018. For all other 2018 fixed cost fees, we assumed known changes from 2017.

Large claim credits above are obtained only from Anthem medical reports. Envelope Rx large claims have not been reconciled in the underwriting projections.

Line	PPO/HDHP Line Item/Description	Fresno			Tulare			All Others			Total		
		Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
1	Non-Cap Paid Claims (July 2016 through June 2017)	\$5,788,860	\$1,972,699	\$7,761,559	\$13,182,644	\$6,225,700	\$19,408,344	\$816,551	\$143,828	\$960,379	\$19,788,055	\$8,342,227	\$28,130,282
2	Capitation Claims (July 2016 through June 2017)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Savings from HMO to EPO conversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Savings from Change of PBM	\$0	(\$106,958)	(\$106,958)	\$0	(\$950,976)	(\$950,976)	\$0	(\$20,613)	(\$20,613)	\$0	(\$1,078,547)	(\$1,078,547)
5	Large Claim Adjustment (Pooling Level: \$450,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$198,620)	\$0	(\$198,620)	(\$198,620)	\$0	(\$198,620)
6	Adjusted Paid Claims	\$5,788,860	\$1,865,741	\$7,654,601	\$13,182,644	\$5,274,724	\$18,457,368	\$617,931	\$123,215	\$741,146	\$19,589,435	\$7,263,680	\$26,853,115
7	Pooled Claim Risk Adjustment (Fresno: \$250K, Tulare: \$200K)	(\$116,928)	\$0	(\$116,928)	(\$325,713)	\$0	(\$325,713)	\$0	\$0	\$0	(\$442,641)	\$0	(\$442,641)
8	Adjusted Paid Claims	\$5,671,932	\$1,865,741	\$7,537,673	\$12,856,931	\$5,274,724	\$18,131,656	\$617,931	\$123,215	\$741,146	\$19,146,794	\$7,263,680	\$26,410,474
9	Beginning Reserves @ 6/30/2016	(\$585,477)	(\$111,123)	(\$696,600)	(\$744,433)	(\$336,149)	(\$1,080,582)	(\$55,770)	(\$11,565)	(\$67,335)	(\$1,385,680)	(\$458,837)	(\$1,844,517)
10	Ending Reserves @ 6/30/2017	\$469,996	\$118,362	\$588,358	\$1,352,850	\$373,542	\$1,726,392	\$60,941	\$8,630	\$69,571	\$1,883,787	\$500,534	\$2,384,321
11	Incurred Claims (July 2016 through June 2017)	\$5,556,451	\$1,872,980	\$7,429,430	\$13,465,348	\$5,312,118	\$18,777,466	\$623,102	\$120,279	\$743,381	\$19,644,901	\$7,305,376	\$26,950,277
12	Total Covered Employees (May 2016 through Apr 2017)	10,528	10,528	10,528	31,465	31,465	31,465	650	650	650	42,643	42,643	42,643
13	Claims Cost PEPM	\$527.78	\$177.90	\$705.68	\$427.95	\$168.83	\$596.77	\$958.62	\$185.04	\$1,143.66	\$460.68	\$171.31	\$632.00
14	Trend Factor	1.0805	1.1537	1.0990	1.1224	1.1537	1.1313	1.1224	1.1537	1.1275	1.1105	1.1537	1.1222
15	Projected Claims Cost Per Employee	\$570.26	\$205.25	\$775.51	\$480.33	\$194.77	\$675.10	\$1,075.95	\$213.49	\$1,289.44	\$511.61	\$197.65	\$709.26
16	Recommended Funding Margin	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
17	Adjusted Projected Claims	\$587.37	\$211.41	\$798.78	\$494.74	\$200.62	\$695.36	\$1,108.23	\$219.89	\$1,328.12	\$526.96	\$203.58	\$730.53
	Fixed Costs PEPM												
18	Specific Stop-Loss Premium PEPM (Estimate)			\$23.38			\$18.05			\$385.30			\$24.96
19	Aggregate Stop-Loss Premium PEPM (Estimate)			\$1.03			\$1.03			\$1.03			\$1.03
20	Risk Share Pool Charge			\$12.57			\$12.06			\$0.00			\$12.00
21	Anthem Network & Administrative Fees			\$33.83			\$33.83			\$33.83			\$33.83
22	All Other Program Fees			\$13.36			\$12.61			\$14.45			\$12.82
23	Total Fixed Costs			\$84.17			\$77.58			\$434.61			\$84.65
24	Required Premium PEPM			\$882.95			\$772.94			\$1,762.73			\$815.19
25	Current Premium PEPM			\$785.54			\$748.19			\$1,686.65			\$771.72
26	Required Increase			12.40%			3.31%			4.51%			5.63%
27	Current Subscribers (June 2017)	980	980		2,821	2,821		53	53		3,854	3,854	
28	Base Trend	5.30%	10.00%		8.00%	10.00%		8.00%	10.00%		7.24%	10.00%	
29	Months Trended	18	18		18	18		18	18		18	18	
30	Internal Pooling Point	\$250,000	N/A		\$200,000	N/A		\$75,000	N/A				

Notes:

Other Program Fees include: Wellness, Claims Management/Communication, Consulting Fees, SJVIA Fees, SJVIA Non-Founding Member Fee, Hourglass/ASI, and PCORI.

Assumes 10% stop loss renewal increase for 2018. For all other 2018 fixed cost fees, we assumed known changes from 2017.

Large claim credits above are obtained only from Anthem medical reports. Enrollee Rx large claims have not been reconciled in the underwriting projections.

Line	EPO and PPO/HDHP Line Item/Description	Fresno			Tulare			All Others			Total		
		Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
1	Non-Cap Paid Claims (July 2016 through June 2017)	\$25,712,058	\$11,842,199	\$37,554,257	\$13,182,644	\$6,225,700	\$19,408,344	\$2,432,405	\$390,604	\$2,823,009	\$41,327,107	\$18,458,503	\$59,785,610
2	Capitation Claims (July 2016 through June 2017)	\$11,787,032	\$0	\$11,787,032	\$0	\$0	\$0	\$531,427	\$0	\$531,427	\$12,318,459	\$0	\$12,318,459
3	Savings from HMO to EPO conversion	(\$1,944,860)	\$0	(\$1,944,860)	\$0	\$0	\$0	(\$87,685)	\$0	(\$87,685)	(\$2,032,545)	\$0	(\$2,032,545)
4	Savings from Change of PBM	\$0	(\$1,615,687)	(\$1,615,687)	\$0	(\$950,976)	(\$950,976)	\$0	(\$58,338)	(\$58,338)	\$0	(\$2,625,000)	(\$2,625,000)
5	Large Claim Adjustment (Pooling Level: \$450,000)	(\$681,808)	\$0	(\$681,808)	\$0	\$0	\$0	(\$830,775)	\$0	(\$830,775)	(\$1,512,584)	\$0	(\$1,512,584)
6	Adjusted Paid Claims	\$34,872,422	\$10,226,512	\$45,098,934	\$13,182,644	\$5,274,724	\$18,457,368	\$2,045,372	\$332,266	\$2,377,638	\$50,100,437	\$15,833,503	\$65,933,940
7	Pool Claim Risk Adjustment (Fresno: \$250K, Tulare: \$200K)	(\$833,276)	\$0	(\$833,276)	(\$325,713)	\$0	(\$325,713)	\$0	\$0	\$0	(\$1,158,989)	\$0	(\$1,158,989)
8	Adjusted Paid Claims	\$34,039,146	\$10,226,512	\$44,265,658	\$12,856,931	\$5,274,724	\$18,131,656	\$2,045,372	\$332,266	\$2,377,638	\$48,941,448	\$15,833,503	\$64,774,951
9	Beginning Reserves @ 6/30/2016	(\$2,684,314)	(\$728,044)	(\$3,412,358)	(\$744,433)	(\$336,149)	(\$1,080,582)	(\$316,657)	(\$25,825)	(\$342,482)	(\$3,745,404)	(\$1,090,018)	(\$4,835,422)
10	Ending Reserves @ 6/30/2017	\$2,430,463	\$710,532	\$3,140,995	\$1,352,850	\$373,542	\$1,726,392	\$470,180	\$23,437	\$493,617	\$4,253,493	\$1,107,511	\$5,361,004
11	Incurred Claims (July 2016 through June 2017)	\$33,785,295	\$10,209,000	\$43,994,295	\$13,465,348	\$5,312,118	\$18,777,466	\$2,198,895	\$329,878	\$2,528,772	\$49,449,537	\$15,850,996	\$65,300,533
12	Total Covered Employees (May 2016 through Apr 2017)	52,273	52,273	52,273	31,465	31,465	31,465	1,923	1,923	1,923	85,661	85,661	85,661
13	Claims Cost PEPM	\$646.32	\$195.30	\$841.63	\$427.95	\$168.83	\$596.77	\$1,143.47	\$171.54	\$1,315.01	\$577.27	\$185.04	\$762.31
14	Trend Factor	1.1155	1.1537	1.1244	1.1224	1.1537	1.1313	1.1224	1.1537	1.1265	1.1177	1.1537	1.1264
15	Projected Claims Cost Per Employee	\$720.98	\$225.32	\$946.30	\$480.33	\$194.77	\$675.10	\$1,283.43	\$197.91	\$1,481.34	\$645.21	\$213.48	\$858.69
16	<u>Recommended Funding Margin</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
17	Adjusted Projected Claims	\$742.61	\$232.08	\$974.69	\$494.74	\$200.62	\$695.36	\$1,321.93	\$203.85	\$1,525.78	\$664.57	\$219.89	\$884.46
	Fixed Costs PEPM												
18	Specific Stop-Loss Premium PEPM (Estimate)			\$23.38			\$18.05			\$385.30			\$29.55
19	Aggregate Stop-Loss Premium PEPM (Estimate)			\$1.03			\$1.03			\$1.03			\$1.03
20	Risk Share Pool Charge			\$18.48			\$12.06			\$0.00			\$15.70
21	Anthem Network & Administrative Fees			\$43.02			\$33.83			\$41.45			\$39.61
22	<u>All Other Program Fees</u>			<u>\$13.36</u>			<u>\$12.61</u>			<u>\$14.99</u>			<u>\$13.12</u>
23	Total Fixed Costs			\$99.27			\$77.58			\$442.77			\$99.01
24	Required Premium PEPM			\$1,073.96			\$772.94			\$1,968.55			\$983.47
25	Current Premium PEPM			\$1,054.14			\$748.19			\$1,573.72			\$953.42
26	Required Increase			1.88%			3.31%			25.09%			3.15%
27	Current Subscribers (May 2017)	4,169	4,169		2,821	2,821		181	181		7,171	7,171	
28	Base Trend	7.56%	10.00%		8.00%	10.00%		8.00%	10.00%		7.70%	10.00%	
29	Months Trended	18	18		18	18		18	18		18	18	
30	Internal Pooling Point	\$250,000	N/A		\$200,000	N/A		\$75,000	N/A				

Notes:

Other Program Fees include: Wellness, Claims Management/Communication, Consulting Fees, SJVIA Fees, SJVIA Non-Founding Member Fee, Hourglass/ASI, and PCORI.

Assumes 10% stop loss renewal increase for 2018. For all other 2018 fixed cost fees, we assumed known changes from 2017.

Large claim credits above are obtained only from Anthem medical reports. Envolv Rx large claims have not been reconciled in the underwriting projections.

Appendix C – Self-funded Medical Underwriting without Risk Share

Line	EPO Line Item/Description	Fresno			Tulare			All Others			Total		
		Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
1	Non-Cap Paid Claims (July 2016 through June 2017)	\$19,923,198	\$9,869,500	\$29,792,698				\$1,615,854	\$246,776	\$1,862,630	\$21,539,052	\$10,116,276	\$31,655,328
2	Capitation Claims (July 2016 through June 2017)	\$11,787,032	\$0	\$11,787,032				\$531,427	\$0	\$531,427	\$12,318,459	\$0	\$12,318,459
3	Savings from HMO to EPO conversion	(\$1,944,860)	\$0	(\$1,944,860)				(\$87,685)	\$0	(\$87,685)	(\$2,032,545)	\$0	(\$2,032,545)
4	Savings from Change of PBM	\$0	(\$1,508,729)	(\$1,508,729)				\$0	(\$37,724)		\$0	(\$1,546,453)	(\$1,546,453)
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$681,808)</u>	<u>\$0</u>	<u>(\$681,808)</u>				<u>(\$632,155)</u>	<u>\$0</u>	<u>(\$632,155)</u>	<u>(\$1,313,964)</u>	<u>\$0</u>	<u>(\$1,313,964)</u>
6	Adjusted Paid Claims	\$29,083,562	\$8,360,771	\$37,444,333				\$1,427,441	\$209,052	\$1,636,492	\$30,511,002	\$8,569,823	\$39,080,825
7	Pooled Claim Risk Adjustment (Fresno: \$250,000)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>				\$0	<u>\$0</u>	\$0	\$0	<u>\$0</u>	\$0
8	Adjusted Paid Claims	\$29,083,562	\$8,360,771	\$37,444,333				\$1,427,441	\$209,052	\$1,636,492	\$30,511,002	\$8,569,823	\$39,080,825
9	Beginning Reserves @ 6/30/2016	(\$2,098,837)	(\$616,921)	(\$2,715,758)				(\$260,887)	(\$14,260)	(\$275,147)	(\$2,359,724)	(\$631,181)	(\$2,990,905)
10	Ending Reserves @ 6/30/2017	<u>\$1,960,467</u>	<u>\$592,170</u>	<u>\$2,552,637</u>				<u>\$409,239</u>	<u>\$14,807</u>	<u>\$424,046</u>	<u>\$2,369,706</u>	<u>\$606,977</u>	<u>\$2,976,683</u>
11	Incurred Claims (July 2016 through June 2017)	\$28,945,192	\$8,336,020	\$37,281,212				\$1,575,793	\$209,599	\$1,785,391	\$30,520,984	\$8,545,619	\$39,066,604
12	Total Covered Employees (May 2016 through Apr 2017)	<u>41,745</u>	<u>41,745</u>	<u>41,745</u>				<u>1,273</u>	<u>1,273</u>	<u>1,273</u>	<u>43,018</u>	<u>43,018</u>	<u>43,018</u>
13	Claims Cost PEPM	\$693.38	\$199.69	\$893.07				\$1,237.86	\$164.65	\$1,402.51	\$709.49	\$198.65	\$908.15
14	Trend Factor	<u>1.1224</u>	<u>1.1537</u>	<u>1.1294</u>				<u>1.1224</u>	<u>1.1537</u>	<u>1.1261</u>	<u>1.1224</u>	<u>1.1537</u>	<u>1.1292</u>
15	Projected Claims Cost Per Employee	\$778.25	\$230.38	\$1,008.63				\$1,389.37	\$189.96	\$1,579.33	\$796.34	\$229.19	\$1,025.52
16	Recommended Funding Margin	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>				<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
17	Adjusted Projected Claims	\$801.60	\$237.29	\$1,038.89				\$1,431.05	\$195.65	\$1,626.71	\$820.23	\$236.06	\$1,056.29
Fixed Costs PEPM													
18	Specific Stop-Loss Premium PEPM (Estimate)			\$23.38						\$385.30			\$34.09
19	Aggregate Stop-Loss Premium PEPM (Estimate)			\$1.03						\$1.03			\$1.03
20	Risk Share Pool Charge			\$0.00						\$0.00			\$0.00
21	Anthem Network & Administrative Fees			\$45.34						\$45.34			\$45.34
22	All Other Program Fees			<u>\$13.36</u>						<u>\$15.27</u>			<u>\$13.42</u>
23	Total Fixed Costs			\$83.11						\$446.94			\$93.88
24	Required Premium PEPM			\$1,122.00						\$2,073.65			\$1,150.16
25	Current Premium PEPM			\$1,121.88						\$1,516.06			\$1,133.54
26	Required Increase			0.01%						36.78%			1.47%
27	Current Subscribers (June 2017)	3,189	3,189					128	128		3,317	3,317	
28	Base Trend	8.00%	10.00%					8.00%	10.00%		8.00%	10.00%	
29	Months Trended	18	18					18	18		18	18	
30	Internal Pooling Point	\$250,000	N/A					\$75,000	N/A				

Notes:

Other Program Fees include: Wellness, Claims Management/Communication, Consulting Fees, SJVIA Fees, SJVIA Non-Founding Member Fee, Hourglass/ASI, and PCORI.

Assumes 10% stop loss renewal increase for 2018. For all other 2018 fixed cost fees, we assumed known changes from 2017.

Large claim credits above are obtained only from Anthem medical reports. Enroll Rx large claims have not been reconciled in the underwriting projections.

Line	PPO/HDHP Line Item/Description	Fresno			Tulare			All Others			Total		
		Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
1	Non-Cap Paid Claims (July 2016 through June 2017)	\$5,788,860	\$1,972,699	\$7,761,559	\$13,182,644	\$6,225,700	\$19,408,344	\$816,551	\$143,828	\$960,379	\$19,788,055	\$8,342,227	\$28,130,282
2	Capitation Claims (July 2016 through June 2017)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Savings from HMO to EPO conversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Savings from Change of PBM	\$0	(\$106,958)	(\$106,958)	\$0	(\$950,976)	(\$950,976)	\$0	(\$20,613)	(\$20,613)	\$0	(\$1,078,547)	(\$1,078,547)
5	Large Claim Adjustment (Pooling Level: \$450,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$198,620)	\$0	(\$198,620)	(\$198,620)	\$0	(\$198,620)
6	Adjusted Paid Claims	\$5,788,860	\$1,865,741	\$7,654,601	\$13,182,644	\$5,274,724	\$18,457,368	\$617,931	\$123,215	\$741,146	\$19,589,435	\$7,263,680	\$26,853,115
7	Pooled Claim Risk Adjustment (Fresno: \$250K, Tulare: \$200K)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Adjusted Paid Claims	\$5,788,860	\$1,865,741	\$7,654,601	\$13,182,644	\$5,274,724	\$18,457,368	\$617,931	\$123,215	\$741,146	\$19,589,435	\$7,263,680	\$26,853,115
9	Beginning Reserves @ 6/30/2016	(\$585,477)	(\$111,123)	(\$696,600)	(\$744,433)	(\$336,149)	(\$1,080,582)	(\$55,770)	(\$11,565)	(\$67,335)	(\$1,385,680)	(\$458,837)	(\$1,844,517)
10	Ending Reserves @ 6/30/2017	\$469,996	\$118,362	\$588,358	\$1,352,850	\$373,542	\$1,726,392	\$60,941	\$8,630	\$69,571	\$1,883,787	\$500,534	\$2,384,321
11	Incurred Claims (July 2016 through June 2017)	\$5,673,379	\$1,872,980	\$7,546,359	\$13,791,061	\$5,312,118	\$19,103,179	\$623,102	\$120,279	\$743,381	\$20,087,542	\$7,305,376	\$27,392,918
12	Total Covered Employees (May 2016 through Apr 2017)	10,528	10,528	10,528	31,465	31,465	31,465	650	650	650	42,643	42,643	42,643
13	Claims Cost PEPM	\$538.88	\$177.90	\$716.79	\$438.30	\$168.83	\$607.12	\$958.62	\$185.04	\$1,143.66	\$471.06	\$171.31	\$642.38
14	Trend Factor	1.0805	1.1537	1.0987	1.1224	1.1537	1.1311	1.1224	1.1537	1.1275	1.1106	1.1537	1.1221
15	Projected Claims Cost Per Employee	\$582.27	\$205.25	\$787.51	\$491.95	\$194.77	\$686.72	\$1,075.95	\$213.49	\$1,289.44	\$523.15	\$197.65	\$720.79
16	<u>Recommended Funding Margin</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
17	Adjusted Projected Claims	\$599.73	\$211.41	\$811.14	\$506.70	\$200.62	\$707.32	\$1,108.23	\$219.89	\$1,328.12	\$538.84	\$203.58	\$742.42
	Fixed Costs PEPM												
18	Specific Stop-Loss Premium PEPM (Estimate)			\$23.38			\$18.05			\$385.30			\$24.96
19	Aggregate Stop-Loss Premium PEPM (Estimate)			\$1.03			\$1.03			\$1.03			\$1.03
20	Risk Share Pool Charge			\$0.00			\$0.00			\$0.00			\$0.00
21	Anthem Network & Administrative Fees			\$33.83			\$33.83			\$33.83			\$33.83
22	<u>All Other Program Fees</u>			<u>\$13.36</u>			<u>\$12.61</u>			<u>\$14.45</u>			<u>\$12.82</u>
23	Total Fixed Costs			\$71.60			\$65.52			\$434.61			\$72.65
24	Required Premium PEPM			\$882.74			\$772.84			\$1,762.73			\$815.06
25	Current Premium PEPM			\$785.54			\$748.19			\$1,686.65			\$771.72
26	Required Increase			12.37%			3.29%			4.51%			5.62%
27	Current Subscribers (June 2017)	980	980		2,821	2,821		53	53		3,854	3,854	
28	Base Trend	5.30%	10.00%		8.00%	10.00%		8.00%	10.00%		7.24%	10.00%	
29	Months Trended	18	18		18	18		18	18		18	18	
30	Internal Pooling Point	\$250,000	N/A		\$200,000	N/A		\$75,000	N/A				

Notes:

Other Program Fees include: Wellness, Claims Management/Communication, Consulting Fees, SJVIA Fees, SJVIA Non-Founding Member Fee, Hourglass/ASI, and PCORI.

Assumes 10% stop loss renewal increase for 2018. For all other 2018 fixed cost fees, we assumed known changes from 2017.

Large claim credits above are obtained only from Anthem medical reports. Enroll Rx large claims have not been reconciled in the underwriting projections.

Line	EPO and PPO/HDHP Line Item/Description	Fresno			Tulare			All Others			Total		
		Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
1	Non-Cap Paid Claims (July 2016 through June 2017)	\$25,712,058	\$11,842,199	\$37,554,257	\$13,182,644	\$6,225,700	\$19,408,344	\$2,432,405	\$390,604	\$2,823,009	\$41,327,107	\$18,458,503	\$59,785,610
2	Capitation Claims (July 2016 through June 2017)	\$11,787,032	\$0	\$11,787,032	\$0	\$0	\$0	\$531,427	\$0	\$531,427	\$12,318,459	\$0	\$12,318,459
3	Savings from HMO to EPO conversion	(\$1,944,860)	\$0	(\$1,944,860)	\$0	\$0	\$0	(\$87,685)	\$0	(\$87,685)	(\$2,032,545)	\$0	(\$2,032,545)
4	Savings from Change of PBM	\$0	(\$1,615,687)	(\$1,615,687)	\$0	(\$950,976)	(\$950,976)	\$0	(\$58,338)	(\$58,338)	\$0	(\$2,625,000)	(\$2,625,000)
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$681,808)</u>	<u>\$0</u>	<u>(\$681,808)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$830,775)</u>	<u>\$0</u>	<u>(\$830,775)</u>	<u>(\$1,512,584)</u>	<u>\$0</u>	<u>(\$1,512,584)</u>
6	Adjusted Paid Claims	\$34,872,422	\$10,226,512	\$45,098,934	\$13,182,644	\$5,274,724	\$18,457,368	\$2,045,372	\$332,266	\$2,377,638	\$50,100,437	\$15,833,503	\$65,933,940
7	Poolled Claim Risk Adjustment (Fresno: \$250K, Tulare: \$200K)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
8	Adjusted Paid Claims	\$34,872,422	\$10,226,512	\$45,098,934	\$13,182,644	\$5,274,724	\$18,457,368	\$2,045,372	\$332,266	\$2,377,638	\$50,100,437	\$15,833,503	\$65,933,940
9	Beginning Reserves @ 6/30/2016	(\$2,684,314)	(\$728,044)	(\$3,412,358)	(\$744,433)	(\$336,149)	(\$1,080,582)	(\$316,657)	(\$25,825)	(\$342,482)	(\$3,745,404)	(\$1,090,018)	(\$4,835,422)
10	Ending Reserves @ 6/30/2017	<u>\$2,430,463</u>	<u>\$710,532</u>	<u>\$3,140,995</u>	<u>\$1,352,850</u>	<u>\$373,542</u>	<u>\$1,726,392</u>	<u>\$470,180</u>	<u>\$23,437</u>	<u>\$493,617</u>	<u>\$4,253,493</u>	<u>\$1,107,511</u>	<u>\$5,361,004</u>
11	Incurred Claims (July 2016 through June 2017)	\$34,618,571	\$10,209,000	\$44,827,571	\$13,791,061	\$5,312,118	\$19,103,179	\$2,198,895	\$329,878	\$2,528,772	\$50,608,526	\$15,850,996	\$66,459,522
12	Total Covered Employees (May 2016 through Apr 2017)	<u>52,273</u>	<u>52,273</u>	<u>52,273</u>	<u>31,465</u>	<u>31,465</u>	<u>31,465</u>	<u>1,923</u>	<u>1,923</u>	<u>1,923</u>	<u>85,661</u>	<u>85,661</u>	<u>85,661</u>
13	Claims Cost PEPM	\$662.26	\$195.30	\$857.57	\$438.30	\$168.83	\$607.12	\$1,143.47	\$171.54	\$1,315.01	\$590.80	\$185.04	\$775.84
14	Trend Factor	<u>1.1155</u>	<u>1.1537</u>	<u>1.1242</u>	<u>1.1224</u>	<u>1.1537</u>	<u>1.1311</u>	<u>1.1224</u>	<u>1.1537</u>	<u>1.1265</u>	<u>1.1177</u>	<u>1.1537</u>	<u>1.1263</u>
15	Projected Claims Cost Per Employee	\$738.78	\$225.32	\$964.10	\$491.95	\$194.77	\$686.72	\$1,283.43	\$197.91	\$1,481.34	\$660.34	\$213.48	\$873.82
16	<u>Recommended Funding Margin</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
17	Adjusted Projected Claims	\$760.94	\$232.08	\$993.02	\$506.70	\$200.62	\$707.32	\$1,321.93	\$203.85	\$1,525.78	\$680.15	\$219.89	\$900.04
	Fixed Costs PEPM												
18	Specific Stop-Loss Premium PEPM (Estimate)			\$23.38			\$18.05			\$385.30			\$29.55
19	Aggregate Stop-Loss Premium PEPM (Estimate)			\$1.03			\$1.03			\$1.03			\$1.03
20	Risk Share Pool Charge			\$0.00			\$0.00			\$0.00			\$0.00
21	Anthem Network & Administrative Fees			\$43.02			\$33.83			\$41.45			\$39.61
22	<u>All Other Program Fees</u>			<u>\$13.36</u>			<u>\$12.61</u>			<u>\$14.99</u>			<u>\$13.12</u>
23	Total Fixed Costs			\$80.79			\$65.52			\$442.77			\$83.31
24	Required Premium PEPM			\$1,073.81			\$772.84			\$1,968.55			\$983.35
25	Current Premium PEPM			\$1,054.14			\$748.19			\$1,573.72			\$953.42
26	Required Increase			1.87%			3.29%			25.09%			3.14%
27	Current Subscribers (May 2017)	4,169	4,169		2,821	2,821		181	181		7,171	7,171	
28	Base Trend	7.56%	10.00%		8.00%	10.00%		8.00%	10.00%		7.70%	10.00%	
29	Months Trended	18	18		18	18		18	18		18	18	
30	Internal Pooling Point	\$250,000	N/A		\$200,000	N/A		\$75,000	N/A				

Notes:

Other Program Fees include: Wellness, Claims Management/Communication, Consulting Fees, SJVIA Fees, SJVIA Non-Founding Member Fee, Hourglass/ASI, and PCORI.

Assumes 10% stop loss renewal increase for 2018. For all other 2018 fixed cost fees, we assumed known changes from 2017.

Large claim credits above are obtained only from Anthem medical reports. Envolv Rx large claims have not been reconciled in the underwriting projections.

Appendix D – Kaiser Rates



San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018



County of Fresno

	Current		Renewal		Current		Renewal	
Carrier Name	Kaiser		Kaiser		Kaiser		Kaiser	
Effective Date	1/1/2017		1/1/2018		1/1/2017		1/1/2018	
Plan Name	HMO		HMO		HMO		HMO	
Eligible Class	Active Employees		Active Employees		COBRA		COBRA	
Rating Structure	Bi-Weekly Rate	Subscribers	Bi-Weekly Rate	Subscribers	Monthly Rate	Subscribers	Monthly Rate	Subscribers
Employee Only	\$342.39	1,048	\$326.10	1,048	\$741.84	12	\$706.33	12
Employee + Spouse	\$614.50	107	\$585.26	107	\$1,331.38	3	\$1,267.67	3
Employee + Child(ren)	\$541.65	398	\$515.89	398	\$1,173.53	1	\$1,117.32	1
Family	\$813.09	111	\$774.40	111	\$1,761.66	1	\$1,677.28	1
Total Monthly Premium	\$730,405.91		\$695,658.24		\$15,831.41		\$15,073.57	
Total Annual Premium	\$8,764,870.92		\$8,347,898.88		\$189,976.92		\$180,882.84	
% Change over Current Monthly Premium			-4.8%				-4.8%	
\$ Change over Current Annual Premium			(\$416,972.04)				(\$9,094.08)	

Note: Rates for 65+ Retirees are under separate contract directly between the County of Fresno and Kaiser

San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018

County of Tulare

Carrier Name

Effective Date

Plan Name

Eligible Class

Rating Structure	Current		Renewal		Current		Renewal	
	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers
Employee Only	\$781.25	92	\$739.11	92	\$601.61	62	\$568.15	62
Employee + Spouse	\$1,562.48	9	\$1,478.21	9	\$1,203.21	5	\$1,136.30	5
Employee + Child(ren)	\$1,414.03	10	\$1,337.77	10	\$1,088.91	6	\$1,028.35	6
Family	\$2,343.72	2	\$2,217.33	2	\$1,804.82	2	\$1,704.45	2
Total Monthly Premium	\$104,765.06		\$99,114.37		\$53,458.97		\$50,485.80	
Total Annual Premium	\$1,257,180.72		\$1,189,372.44		\$641,507.64		\$605,829.60	
% Change over Current Monthly Premium			-5.4%				-5.6%	
\$ Change over Current Annual Premium			(\$67,808.28)				(\$35,678.04)	

San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018

County of Tulare

Carrier Name

Effective Date

Plan Name

Eligible Class

Current

Renewal

Rating Structure	Kaiser 1/1/2017 Senior Advantage Retirees		Kaiser 1/1/2018 Senior Advantage Retirees	
	Rate	Subscribers	Rate	Subscribers
Sub w/ Medicare	\$303.25	9	\$298.08	9
Sub w/ Medicare + Sp Non-Medicare	\$1,084.48	0	\$1,035.81	0
Sub Non-Medicare + Sp w/ Medicare	\$1,084.49	2	\$1,035.82	2
Sub w/ Medicare + Sp w/ Medicare	\$582.54	0	\$596.15	0
Sub w/ Medicare + Child Non-Medicare	\$936.03	0	\$895.63	0
Sub w/ Medicare + Children Non-Medicare	\$936.03	0	\$895.63	0
Sub w/ Medicare + Sp w/ Medicare + Child Non-Medicare	\$1,363.79	0	\$1,333.91	0
Sub w/ Medicare + Sp Non-Medicare + Child Non-Medicare	\$1,865.73	0	\$1,773.57	0
Sub Non-Medicare + Sp w/ Medicare + Child Non-Medicare	\$1,865.74	0	\$1,773.58	0
Sub w/ Medicare + Sp w/ Medicare + Children Non-Medicare	\$1,363.79	0	\$1,333.91	0
Sub w/ Medicare + Sp Non-Medicare + Children Non-Medicare	\$1,865.73	0	\$1,773.57	0
Sub Non-Medicare + Sp w/ Medicare + Children Non-Medicare	\$1,865.74	0	\$1,773.58	0
Total Monthly Premium	\$4,898.23		\$4,754.36	
Total Annual Premium	\$58,778.76		\$57,052.32	
% Change over Current Monthly Premium			-2.9%	
\$ Change over Current Annual Premium			(\$1,726.44)	

San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018

City of Ceres

Carrier Name

Effective Date

Plan Name

Eligible Class

Rating Structure

Employee Only

Employee + Spouse

Family

Total Monthly Premium

Total Annual Premium

% Change over Current Monthly Premium

\$ Change over Current Annual Premium

Current

Renewal

	Kaiser		Kaiser	
	1/1/2017		1/1/2018	
	HMO		HMO	
	Active Employees		Active Employees	
	Rate	Subscribers	Rate	Subscribers
Employee Only	\$602.98	8	\$574.76	8
Employee + Spouse	\$1,272.06	9	\$1,212.43	9
Family	\$1,820.97	25	\$1,735.74	25
Total Monthly Premium	\$61,796.63		\$58,903.45	
Total Annual Premium	\$741,559.56		\$706,841.40	
% Change over Current Monthly Premium			-4.7%	
\$ Change over Current Annual Premium			(\$34,718.16)	

San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018

City of Marysville

	Current		Renewal	
Carrier Name	Kaiser		Kaiser	
Effective Date	1/1/2017		1/1/2018	
Plan Name	HMO		HMO	
Eligible Class	Active Employees		Active Employees	
Rating Structure	Rate	Subscribers	Rate	Subscribers
Employee Only	\$678.19	2	\$645.19	2
Employee + Spouse	\$1,356.38	2	\$1,290.40	2
Family	\$1,919.28	2	\$1,825.91	2
Total Monthly Premium	\$7,907.70		\$7,523.00	
Total Annual Premium	\$94,892.40		\$90,276.00	
% Change over Current Monthly Premium			-4.9%	
\$ Change over Current Annual Premium			(\$4,616.40)	

Appendix E – Delta Dental Rates



San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018



County of Fresno

	Current		Renewal		Current		Renewal	
Carrier Name	Delta Dental		Delta Dental		Delta Dental		Delta Dental	
Effective Date	1/1/2017		1/1/2018		1/1/2017		1/1/2018	
Plan Name	PPO		PPO		DHMO		DHMO	
Eligible Class	Active Employees		Active Employees		Active Employees		Active Employees	
Rate Guarantee	--		2 Years		--		2 Years	
Rating Structure	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers
Employee Only	\$50.29	2,430	\$50.29	2,430	\$25.04	1,610	\$26.38	1,610
Employee + Spouse	\$80.19	505	\$80.19	505	\$42.96	242	\$45.27	242
Employee + Child(ren)	\$69.88	877	\$69.88	877	\$43.26	494	\$45.58	494
Family	\$102.58	348	\$102.58	348	\$62.35	153	\$65.70	153
Total Monthly Premium	\$259,683.25		\$259,683.25		\$81,620.71		\$85,995.76	
Total Annual Premium	\$3,116,199.00		\$3,116,199.00		\$979,448.52		\$1,031,949.12	
% Change over Current Monthly Premium			0%				5.36%	
\$ Change over Current Annual Premium			\$0.00				\$52,500.60	

	Current		Subsidized Rate	
Carrier Name	Delta Dental		Delta Dental	
Effective Date	1/1/2017		1/1/2018	
Plan Name	PPO		PPO	
Eligible Class	Active Employees		Active Employees	
Rate Guarantee	--		2 Years	
Rating Structure	Rate	Subscribers	Rate	Subscribers
Employee Only	\$50.29	2,430	\$49.28	2,430
Employee + Spouse	\$80.19	505	\$78.59	505
Employee + Child(ren)	\$69.88	877	\$68.48	877
Family	\$102.58	348	\$100.53	348
Total Monthly Premium	\$259,683.25		\$254,479.75	
Total Annual Premium	\$3,116,199.00		\$3,053,757.00	
% Change over Current Monthly Premium			-2%	
\$ Change over Current Annual Premium			(\$62,442.00)	

San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018

County of Tulare

	Current		Renewal		Current		Renewal	
Carrier Name	Delta Dental		Delta Dental		Delta Dental		Delta Dental	
Effective Date	1/1/2017		1/1/2018		1/1/2017		1/1/2018	
Plan Name	PPO		PPO		DHMO		DHMO	
Eligible Class	Active Employees		Active Employees		Active Employees		Active Employees	
Rate Guarantee	--		2 Years		--		2 Years	
Rating Structure	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers
Employee Only	\$35.43	2,024	\$35.43	2,024	\$25.04	317	\$26.38	317
Employee + Spouse	\$61.42	198	\$61.42	198	\$42.96	22	\$45.27	22
Employee + Child(ren)	\$69.60	161	\$69.60	161	\$43.26	34	\$45.58	34
Family	\$103.32	83	\$103.32	83	\$62.35	12	\$65.70	12
Total Monthly Premium	\$103,652.64		\$103,652.64		\$11,101.84		\$11,696.52	
Total Annual Premium	\$1,243,831.68		\$1,243,831.68		\$133,222.08		\$140,358.24	
% Change over Current Monthly Premium			0%				5.36%	
\$ Change over Current Annual Premium			\$0.00				\$7,136.16	

County of Tulare

	Current		Subsidized Rate	
Carrier Name	Delta Dental		Delta Dental	
Effective Date	1/1/2017		1/1/2018	
Plan Name	PPO		PPO	
Eligible Class	Active Employees		Active Employees	
Rate Guarantee	--		2 Years	
Rating Structure	Rate	Subscribers	Rate	Subscribers
Employee Only	\$35.43	2,024	\$34.72	2,024
Employee + Spouse	\$61.42	198	\$60.19	198
Employee + Child(ren)	\$69.60	161	\$68.21	161
Family	\$103.32	83	\$101.25	83
Total Monthly Premium	\$103,652.64		\$101,576.46	
Total Annual Premium	\$1,243,831.68		\$1,218,917.52	
% Change over Current Monthly Premium			-2%	
\$ Change over Current Annual Premium			(\$24,914.16)	

Appendix F – VSP Rates



San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018



County of Fresno	Current		Renewal - Option 1 7.5%		Renewal - Option 2 4.2%		Renewal - Option 3 2.0%	
Carrier Name	VSP		VSP		VSP		VSP	
Effective Date	1/1/2016		1/1/2018		1/1/2018		1/1/2018	
Plan Name	Vision		Vision		Vision		Vision	
Rate Guarantee	--		24 Months		24 Months		24 Months	
Rating Structure	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers
Employee Only	\$7.49	2,699	\$8.06	2,699	\$7.81	2,699	\$7.64	2,699
Employee + Spouse	\$13.46	536	\$14.47	536	\$14.03	536	\$13.73	536
Employee + Child(ren)	\$13.19	972	\$14.18	972	\$13.75	972	\$13.46	972
Family	\$19.32	387	\$20.77	387	\$20.13	387	\$19.71	387
Total Monthly Premium	\$47,727.59		\$51,330.81		\$49,754.58		\$48,690.53	
Total Annual Premium	\$572,731.08		\$615,969.72		\$597,054.96		\$584,286.36	
% Change over Current Monthly Premium			7.5%		4.2%		2.0%	
\$ Change over Current Annual Premium			\$43,238.64		\$24,323.88		\$11,555.28	

Option 1: 7.5% increase for a period of 24 months

Option 2: Reduce VSP's requested reserve from 5% to 2% for a period of 24 months, offering an increase of 4.2% for a period of 24 months

Option 3: Reduce VSP's requested reserve from 5% to 0% for a period of 24 months offering an increase of 2.0% for a period of 24 months

San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018

County of Tulare

	Current		Renewal - Option 1 7.5%		Renewal - Option 2 4.2%		Renewal - Option 3 2.0%	
Carrier Name	VSP		VSP		VSP		VSP	
Effective Date	1/1/2016		1/1/2018		1/1/2018		1/1/2018	
Plan Name	Vision		Vision		Vision		Vision	
Rate Guarantee	--		24 Months		24 Months		24 Months	
Rating Structure	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers
Employee Only	\$4.76	2,208	\$5.12	2,208	\$4.96	2,208	\$4.86	2,208
Employee + Spouse	\$8.04	197	\$8.64	197	\$8.38	197	\$8.20	197
Employee + Child(ren)	\$8.51	181	\$9.15	181	\$8.87	181	\$8.68	181
Family	\$12.68	87	\$13.63	87	\$13.21	87	\$12.93	87
Total Monthly Premium	\$14,737.43		\$15,849.00		\$15,357.28		\$15,042.27	
Total Annual Premium	\$176,849.16		\$190,188.00		\$184,287.36		\$180,507.24	
% Change over Current Monthly Premium			7.5%		4.2%		2.0%	
\$ Change over Current Annual Premium			\$13,338.84		\$7,438.20		\$3,658.08	

Option 1: 7.5% increase for a period of 24 months

Option 2: Reduce VSP's requested reserve from 5% to 2% for a period of 24 months, offering an increase of 4.2% for a period of 24 months

Option 3: Reduce VSP's requested reserve from 5% to 0% for a period of 24 months offering an increase of 2.0% for a period of 24 months

San Joaquin Valley Insurance Authority (SJVIA)

Rate Comparison

Effective Date: January 1, 2018

City of Ceres

	Current		Renewal - Option 1 7.5%		Renewal - Option 2 4.2%		Renewal - Option 3 2.0%	
Carrier Name	VSP		VSP		VSP		VSP	
Effective Date	1/1/2016		1/1/2018		1/1/2018		1/1/2018	
Plan Name	Vision		Vision		Vision		Vision	
Rate Guarantee	--		24 Months		24 Months		24 Months	
Rating Structure	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers	Rate	Subscribers
Employee Only	\$6.06	26	\$6.51	26	\$6.32	26	\$6.18	26
Employee + Spouse	\$12.12	36	\$13.03	36	\$12.63	36	\$12.36	36
Employee + Child(ren)	\$12.98	16	\$13.95	16	\$13.53	16	\$13.24	16
Family	\$20.74	97	\$22.30	97	\$21.61	97	\$21.15	97
Total Monthly Premium	\$2,813.34		\$3,024.64		\$2,931.65		\$2,869.03	
Total Annual Premium	\$33,760.08		\$36,295.68		\$35,179.80		\$34,428.36	
% Change over Current Monthly Premium			7.5%		4.2%		2.0%	
\$ Change over Current Annual Premium			\$2,535.60		\$1,419.72		\$668.28	

Option 1: 7.5% increase for a period of 24 months

Option 2: Reduce VSP's requested reserve from 5% to 2% for a period of 24 months, offering an increase of 4.2% for a period of 24 months

Option 3: Reduce VSP's requested reserve from 5% to 0% for a period of 24 months offering an increase of 2.0% for a period of 24 months

Appendix G – County of Tulare EPO Proposal

The County of Tulare requested an EPO quote from the SJVIA. The EPO plan value is approximately 2.5% richer than the County of Tulare’s PPO 0 plan. This makes the EPO the richest plan the County would offer. Since the EPO is not replacing any coverage, but is being added as a new coverage, the actual enrollment in the plan is less predictable. Keenan has assumed a migration of 10% from the County’s other plans.

Final Renewal rates without the EPO

The final renewal without the EPO for the County of Tulare was shown as a 3.3% rate increase:

SJVIA County of Tulare Current Plans	Enrollment					Current Coverage					Proposed 2018 Monthly Rates			
	EE	ES	EC	EF	Total	EE	ES	EC	EF	Rate Δ	EE	ES	EC	EF
Anthem \$0	233	23	9	8	273	\$ 878.65	\$1,756.37	\$1,603.29	\$2,662.81	3.3%	\$ 907.71	\$1,814.46	\$1,656.32	\$2,750.89
Anthem \$500	649	70	44	9	772	\$ 661.64	\$1,323.94	\$1,212.57	\$2,088.17	3.3%	\$ 683.52	\$1,367.73	\$1,252.68	\$2,157.24
Anthem \$1000	1,661	235	130	69	2,095	\$ 581.20	\$1,161.58	\$1,065.82	\$1,770.73	3.3%	\$ 600.42	\$1,200.00	\$1,101.07	\$1,829.30
Anthem \$2500	32	2	2	3	39	\$ 550.83	\$1,100.79	\$1,010.06	\$1,678.12	3.3%	\$ 569.05	\$1,137.20	\$1,043.47	\$1,733.63
Total, %, \$ Diff.	2,575	330	185	89	3,179		\$28,812,539			3.3%	\$29,765,423		\$952,884	

Final Renewal rates with the EPO

The final renewal with the EPO for the County of Tulare assuming a 10% migration from the other plans shows a 0.86% rate adjustment to all other plans and estimates the overall annual premium to the County of Tulare to increase by 5.23% or \$1,506,040.

SJVIA County of Tulare With EPO	Enrollment					Current Coverage					Proposed 2018 Monthly Rates			
	EE	ES	EC	EF	Total	EE	ES	EC	EF	Rate Δ	EE	ES	EC	EF
Anthem EPO	257	32	18	9	316						\$ 908.36	\$1,800.28	\$1,643.37	\$2,729.38
Anthem \$0	210	21	8	7	246	\$ 878.65	\$1,756.37	\$1,603.29	\$2,662.81	0.86%	\$ 886.21	\$1,771.47	\$1,617.08	\$2,685.71
Anthem \$500	584	63	40	8	695	\$ 661.64	\$1,323.94	\$1,212.57	\$2,088.17	0.86%	\$ 667.33	\$1,335.33	\$1,223.00	\$2,106.13
Anthem \$1000	1,495	212	117	62	1,886	\$ 581.20	\$1,161.58	\$1,065.82	\$1,770.73	0.86%	\$ 586.20	\$1,171.57	\$1,074.99	\$1,785.96
Anthem \$2500	29	2	2	3	36	\$ 550.83	\$1,100.79	\$1,010.06	\$1,678.12	0.86%	\$ 555.57	\$1,110.26	\$1,018.75	\$1,692.55
Total, %, \$ Diff.	2,575	330	185	89	3,179		\$28,812,539			5.23%	\$30,318,579		\$1,506,040	

SJVIA

Plan Summary—County of Tulare EPO Plan

	County of Tulare
Carrier Name	Anthem Blue Cross
Plan Name	EPO 15
High Level Benefit Summary	
Deductible (Individual/ Family)	None
Coinsurance In/ Out of Network	N/A
Out of Pocket Maximum (includes deductible)	Copay maximum: \$1,000 ind / \$2,000 fam
Office Visit/Specialist Visit Copay	\$15/visit
Hospital Inpatient	100% covered
Outpatient Surgery	100% covered
Emergency Room	\$100/visit (waived if admitted)
Prescription Drugs (Through involve Pharmacy Solutions)	
Retail 30 Day Supply Copay	
Generic	\$10
Preferred Brand	\$20
Non-Preferred Brand	\$35
Retail 90 Day Supply Copay	
Generic	\$20
Preferred Brand	\$40
Non-Preferred Brand	\$60
Mail Order 90 Day Supply Copay	
Generic	\$20
Preferred Brand	\$40
Non-Preferred Brand	\$60
Specialty Medication Copay	
30 Day Supply Only	30% (\$100 Max)
Annual Out-of-Pocket Maximum	
Individual	\$2,000
Family	\$4,000