

May 4, 2018

## SJVIA Board Meeting: Consultant's Report on Loan Repayment and Reserve Funding

In accordance with the direction received at the February 23, 2018 SJVIA Board meeting, Keenan has updated the schedule to fund the loan balances over five years commencing January 1, 2019 for the loan amount to the County of Tulare (\$4,057,507) and the loan amount to the County of Fresno (\$5,106,463), the SJVIA required IBNR reserve, and the SJVIA Claims Stabilization Reserve. The updates include:

- Applying the interest earned to the loan amounts; and
- Applying a five-year funding of the loan amount, loan interest earned, the required IBNR, and Claim Stabilization Reserve.

The SJVIA Board, also instructed SJVIA staff to check with their respective counties to bring the SJVIA Board amended language for the current loan repayment agreement. Keenan received the proposed amendments on April 20, 2018.

The County of Fresno's amendment followed the guidelines the SJVIA Board outlined at the February 23, Board meeting. Specifically, it included a five-year loan repayment. The amendment also outlines a simultaneous and pro rata repayment of the loan between the two Counties.

The County of Tulare presented an amendment which featured a two-year loan repayment schedule with quarterly loan payments of \$500,000 starting April 1, 2019. With the County of Fresno's pro rata repayment, the following chart illustrates the loan funding schedule to both Counties:

County of Tulare Proposed Loan Funding Amendment	County of Tulare	County of Fresno Pro Rata Match	Payment Total	Cummulative Total
4/1/2019	\$ 500,000	\$ 625,000	\$ 1,125,000	\$ 1,125,000
7/1/2019	\$ 500,000	\$ 625,000	\$ 1,125,000	\$ 2,250,000
10/1/2019	\$ 500,000	\$ 625,000	\$ 1,125,000	\$ 3,375,000
1/1/2020	\$ 500,000	\$ 625,000	\$ 1,125,000	\$ 4,500,000
4/1/2020	\$ 500,000	\$ 625,000	\$ 1,125,000	\$ 5,625,000
7/1/2020	\$ 500,000	\$ 625,000	\$ 1,125,000	\$ 6,750,000
10/1/2020	\$ 500,000	\$ 625,000	\$ 1,125,000	\$ 7,875,000
<u>1/1/2021</u>	<u>\$ 500,000</u>	<u>\$ 625,000</u>	<u>\$ 1,125,000</u>	<u>\$ 9,000,000</u>
<b>Total</b>	4,000,000	5,000,000	9,000,000	9,000,000

The SJVIA Auditor, provided Keenan with the interest earned on the two outstanding loan amounts through March 31, 2018.

<b>Interest Earned on Loan Amounts through 3/31/18</b>	<b>Loan Amount</b>	<b>Interest Amount</b>	<b>Loan Amount + Interest</b>
County of Fresno	\$ 5,000,000	\$ 106,463	5,106,463
County of Tulare	\$ 4,000,000	\$ 57,507	4,057,507
<u>City of Marysville</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<b>Total</b>	<b>\$ 9,000,000</b>	<b>\$ 163,970</b>	<b>9,163,970</b>

Both funding options (5-year and 2-year loan repayment) will be adjusted for the auditor's interest amount calculation through March 31, 2018.

### **Five-Year Loan Repayment**

With the addition of the interest earned, Keenan has updated the overall five-year schedule:

<b>60 Month Funding Schedule</b>	<b>Loan Repayment</b>	<b>Required IBNR</b>	<b>Required Stabilization</b>	<b>Total</b>
County of Fresno	\$ 8,344,333	\$ 3,464,122	\$ 3,945,125	\$ 15,753,579
County of Tulare	\$ 753,260	\$ 2,160,198	\$ 1,904,457	\$ 4,817,915
<u>City of Marysville</u>	<u>\$ 66,377</u>	<u>\$ 78,903</u>	<u>\$ 75,548</u>	<u>\$ 220,829</u>
<b>Total</b>	<b>\$ 9,163,970</b>	<b>\$ 5,703,223</b>	<b>\$ 5,925,130</b>	<b>\$ 20,792,323</b>
County of Fresno	\$ 33.36	\$ 13.85	\$ 15.77	\$ 62.98
County of Tulare	\$ 4.45	\$ 12.76	\$ 11.25	\$ 28.46
<u>City of Marysville</u>	<u>\$ 21.69</u>	<u>\$ 25.79</u>	<u>\$ 24.69</u>	<u>\$ 72.17</u>
<b>Total PEPM</b>	<b>\$ 21.69</b>	<b>\$ 13.50</b>	<b>\$ 14.03</b>	<b>\$ 49.22</b>
<b>Illustrative Adjustment to the adopted 2018 Rates</b>				
County of Fresno	3.1%	1.3%	1.5%	5.9%
County of Tulare	0.6%	1.7%	1.5%	3.7%
City of Marysville	1.2%	1.5%	1.4%	4.1%
<b>Average Rate Add-on</b>	<b>2.1%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>5.0%</b>

Notes:

1. The rate impact as a percentage is illustrative based on 2018 rates. Upon completion of the 2019 renewal the percentages will be updated to reflect the 2019 rates.
2. The IBNR and stabilization reserve will change as plan experience and actual enrollment are realized.

Utilizing the above shown five-year funding allocation, the following table illustrates the 2019 fund accumulation:

<b>2019 Projected Funding</b>	<b>Loan Repayment</b>	<b>Required IBNR</b>	<b>Required Stabilization</b>	<b>Total</b>
<b>County of Fresno</b>	\$ 33.36	\$ 13.85	\$ 15.77	\$ 62.98
<b>County of Tulare</b>	\$ 4.45	\$ 12.76	\$ 11.25	\$ 28.46
<b><u>City of Marysville</u></b>	<u>\$ 21.69</u>	<u>\$ 25.79</u>	<u>\$ 24.69</u>	<u>\$ 72.17</u>
<b>Total</b>	\$ 21.69	\$ 13.50	\$ 14.03	\$ 49.22
<b><i>Enrollment</i></b>				
<b>County of Fresno</b>	4,169	4,169	4,169	4,169
<b>County of Tulare</b>	2,821	2,821	2,821	2,821
<b><u>City of Marysville</u></b>	<u>51</u>	<u>51</u>	<u>51</u>	<u>51</u>
<b>Total</b>	7,041	7,041	7,041	7,041
<b>County of Fresno</b>	\$ 1,668,934	\$ 692,888	\$ 788,942	\$ 3,150,763
<b>County of Tulare</b>	\$ 150,641	\$ 431,952	\$ 380,835	\$ 963,428
<b><u>City of Marysville</u></b>	<u>\$ 13,274</u>	<u>\$ 15,783</u>	<u>\$ 15,110</u>	<u>\$ 44,168</u>
<b>Total</b>	\$ 1,832,631	\$ 1,140,642	\$ 1,185,423	\$ 4,158,696

A total funding level of \$4,158,696 will be based on the following rate allocation:

- \$1,832,631 will be used for loan repayment,
- \$1,140,642 for the IBNR reserve, and
- \$1,185,423 for a stabilization reserve.

## Two-Year Loan Repayment

With the addition of the interest earned, Keenan has updated the overall two-year schedule:

<b>24 Month Funding Schedule</b>	<b>Loan Repayment</b>	<b>Required IBNR</b>	<b>Required Stabilization</b>	<b>Total</b>
<b>County of Fresno</b>	\$ 8,344,333	\$ 3,464,122	\$ 3,945,125	\$ 15,753,579
<b>County of Tulare</b>	\$ 753,260	\$ 2,160,198	\$ 1,904,457	\$ 4,817,915
<b><u>City of Marysville</u></b>	<u>\$ 66,377</u>	<u>\$ 78,903</u>	<u>\$ 75,548</u>	<u>\$ 220,829</u>
<b>Total</b>	\$ 9,163,970	\$ 5,703,223	\$ 5,925,130	\$ 20,792,323
<b>County of Fresno</b>	\$ 83.40	\$ 34.62	\$ 39.43	\$ 157.45
<b>County of Tulare</b>	\$ 11.13	\$ 31.91	\$ 28.13	\$ 71.17
<b><u>City of Marysville</u></b>	<u>\$ 54.23</u>	<u>\$ 64.46</u>	<u>\$ 61.72</u>	<u>\$ 180.41</u>
<b>Total PEPM</b>	\$ 54.23	\$ 33.75	\$ 35.06	\$ 123.04
<b>Illustrative Adjustment to the adopted 2018 Rates</b>				
<b>County of Fresno</b>	7.8%	3.2%	3.7%	14.7%
<b>County of Tulare</b>	1.4%	4.1%	3.6%	9.2%
<b>City of Marysville</b>	3.1%	3.7%	3.5%	10.2%
<b>Average Rate Add-on</b>	5.2%	3.6%	3.7%	12.4%

Notes:

1. The rate impact as a percentage is illustrative based on 2018 rates. Upon completion of the 2019 renewal the percentages will be updated to reflect the 2019 rates.
2. The IBNR and stabilization reserve will change as plan experience and actual enrollment are realized.

Utilizing the above shown two-year funding allocation, the following table illustrates the 2019 fund accumulation:

<b>2019 Projected Funding</b>	<b>Loan Repayment</b>	<b>Required IBNR</b>	<b>Required Stabilization</b>	<b>Total</b>
County of Fresno	\$ 83.40	\$ 34.62	\$ 39.43	\$ 157.45
County of Tulare	\$ 11.13	\$ 31.91	\$ 28.13	\$ 71.17
<u>City of Marysville</u>	<u>\$ 54.23</u>	<u>\$ 64.46</u>	<u>\$ 61.72</u>	<u>\$ 180.41</u>
<b>Total</b>	<b>\$ 54.23</b>	<b>\$ 33.75</b>	<b>\$ 35.06</b>	<b>\$ 123.04</b>
<i><b>Enrollment</b></i>				
County of Fresno	4,169	4,169	4,169	4,169
County of Tulare	2,821	2,821	2,821	2,821
<u>City of Marysville</u>	<u>51</u>	<u>51</u>	<u>51</u>	<u>51</u>
<b>Total</b>	<b>7,041</b>	<b>7,041</b>	<b>7,041</b>	<b>7,041</b>
<i><b>Annual Payment</b></i>				
County of Fresno	\$ 4,172,335	\$ 1,731,969	\$ 1,972,604	\$ 7,876,909
County of Tulare	\$ 376,773	\$ 1,080,217	\$ 952,257	\$ 2,409,247
<u>City of Marysville</u>	<u>\$ 33,189</u>	<u>\$ 39,450</u>	<u>\$ 37,773</u>	<u>\$ 110,411</u>
<b>Total</b>	<b>\$ 4,582,001</b>	<b>\$ 2,851,605</b>	<b>\$ 2,962,290</b>	<b>\$ 10,395,896</b>
<i><b>Quarterly Payment</b></i>				
County of Fresno	\$ 1,043,084	\$ 432,992	\$ 493,151	\$ 1,969,227
County of Tulare	\$ 94,193	\$ 270,054	\$ 238,064	\$ 602,312
<u>City of Marysville</u>	<u>\$ 8,297</u>	<u>\$ 9,862</u>	<u>\$ 9,443</u>	<u>\$ 27,603</u>
<b>Total</b>	<b>\$ 1,145,574</b>	<b>\$ 712,909</b>	<b>\$ 740,658</b>	<b>\$ 2,599,142</b>

Based on the rate allocation, the following funds would be accumulated:

- \$4,582,001 will be used for loan repayment in year one with four quarterly payments of \$1,145,574,
- \$2,851,605 for the IBNR reserve in year one with four quarterly payments of \$712,909, and
- \$2,962,290 for a stabilization reserve in year one with four quarterly payments \$740,658.

## Determining the Appropriate Approach

Keenan recommends the SJVIA Board allow themselves flexibility relative to the funding schedule, rate allocation, and sufficient time for repayment as to not endanger the SJVIA of being in the position where plan assets become insufficient to cover plan expenses as was experienced in the SJVIA's earlier history. Keenan's recommended approach is to balance loan repayment, with IBNR reserve accumulation and stabilization reserve accumulation over sufficient time so that plan deficits are avoided. This will allow the SJVIA Board to develop an approach which considers the following factors:

- the rate surcharge impact on employees,
- the priority and importance of simultaneous funding of all three components, and
- the coordination of reserve build-up through alternate means.

Ideally, the loan repayment, IBNR reserve and stabilization reserve are repaid from surpluses of the plan's experience achieved over time without adding a rate surcharge for such action. This could take substantially longer than either the two-year or five-year repayment options. Therefore, it is important to establish an end goal for loan repayment, IBNR reserve and stabilization reserve fulfillment. The current estimate for loan repayment, IBNR reserve and stabilization reserve is \$20.8 million as illustrated in the following table.

Plan Option Summaries	Loan Repayment	Required IBNR	Required Stabilization	Total
Dollar Amounts	\$ 9,163,970	\$ 5,703,223	\$ 5,925,130	\$ 20,792,323
<b>Two-Year Plan</b>				
Annual Funding	\$ 4,581,985	\$ 2,851,612	\$ 2,962,565	\$ 10,396,162
Avg PEPM rate	\$ 54.23	\$ 33.75	\$ 35.06	\$ 123.04
Avg. % Rate Adj.	5.2%	3.6%	3.7%	12.4%
<b>Five-Year Plan</b>				
Annual Funding	\$ 1,832,794	\$ 1,140,645	\$ 1,185,026	\$ 4,158,465
Avg PEPM rate	\$ 21.69	\$ 13.50	\$ 14.03	\$ 49.22
Avg. % Rate Adj.	2.1%	1.4%	1.5%	5.0%

While both approaches fulfill the funding goals, the shorter the term, the more likely the rate surcharges (average of 12.4% rate load for 2-year funding) will be implemented and plan performance will not be able to be reconsidered.

Should the SJVIA focus solely on loan repayment without regard for funding IBNR reserve and stabilization reserve, the SJVIA would place itself in a position where potentially plan assets would be insufficient to cover plan expenses.

Keenan has identified three possible areas for reserve build-up through alternate means:

- Plan experience,
- Kaiser reserve, and
- Delta Dental PSR.

The SJVIA Board made significant changes to the SJVIA medical plans for 2018. Most importantly changing the Anthem HMO to the Anthem EPO. With these changes are anticipated savings that were projected conservatively. Should the actual plan experience perform better than projected, a

funding reserve would be developed that could be used to fund reserves. Over the first three months of 2018, a \$2,594,567 reserve surplus was developed over the experience.

In the 2018 renewal, Kaiser offered a -4.8% rate decrease. The SJVIA determined to hold the 2017 rates at 0.0% for 2018 and reserving the difference, which is estimated to be \$1,155,952 for 2018.

Delta Dental reported the ending position (12/31/17) for its Premium Stabilization Reserve (PSR) at \$1,018,586. The PSR is excess premium paid to Delta Dental. Since the dental plans are fully insured, the monies are considered Delta Dental's. Keenan just received the 3/31/18 reserve update which shows a beginning balance of \$1,118,346.

As part of the 2018 renewal, Keenan negotiated a premium holiday and a 2.0% buy-down of the renewal from the PSR. The premium holiday was given to the SJVIA in January 2018, for \$362,752. The SJVIA still collected the premium from the two Counties for January, but did not remit the premium to Delta Dental. Instead, Delta Dental took the \$362,752 in premium from the PSR. This action transferred the \$362,752 from the PSR to the SJVIA reserves.

Additionally, Delta Dental requested a 2.0% renewal increase for 2018 which the SJVIA Board approved. Delta Dental agreed to fund the 2.0% from the PSR. The SJVIA is collecting the 2.0% increase from both Counties and passing on 0.0% to Delta Dental. Delta Dental is funding the 2.0% from the PSR. Through March 31, 2018, the 2.0% represents \$22,168. Keenan estimates the 2018 total will be approximately \$88,672. This action will transfer \$88,672 from the PSR to the SJVIA reserves over the 2018 plan year.

The combined total Delta Dental PSR reserve which will be transferred to the SJVIA reserves for 2018 will be approximately \$451,424. This will leave a Delta Dental PSR reserve of \$656,922. The reserve balance is subject to plan experience and premium remitted throughout the balance of the year.

Keenan negotiated with Delta Dental to allow the PSR monies to be returned to the SJVIA if the SJVIA were to self-fund the dental plan for 2019. The PSR would be used to pay claims under the self-funded plan. Additionally, Delta Dental would apply any excess IBNR reserves (reserves after the run-out claims were paid) to pay claims under the self-funded plan.

Based on the projected Kaiser reserve (\$1,155,952) and the PSR transfer through reserve transfer and self-funding the dental (\$1,118,346), the SJVIA would potentially have \$2,274,298 in reserves for 2019 that could be used to offset the entire loan repayment amount, or partially offset the full amount due, inclusive of loan repayment, IBNR reserve, and Stabilization reserve buildup.

Keenan prepared five scenarios utilizing the existing information and illustrating rate action to the SJVIA Board based on plan experience and recovery of funds through other means for both the two-year funding and the five-year funding. The intent of the scenarios is to allow the board to see the impact on rates plan experience and funds from other means would have on the funding plans.

*Scenario 1* – Illustrates funding by rate surcharge alone.

*Scenario 2* – Illustrates funding by the application of funds by other means (\$2,274,298) and the balance by rate surcharge.

*Scenario 3* – Illustrates funding by the application of funds by other means (\$2,274,298) and by the March 31<sup>st</sup> known plan experience surplus (\$2,594,567) and the balance by rate surcharge.

*Scenario 4* – Illustrates funding by the application of funds by other means (\$2,274,298) and by the March 31<sup>st</sup> known plan experience surplus (\$2,594,567) plus \$1,000,000 assumed to be accumulated over the balance of the plan year and the balance by rate surcharge.

*Scenario 5* – Illustrates funding by the application of funds by other means (\$2,274,298) and by the March 31<sup>st</sup> known plan experience surplus (\$2,594,567) minus \$1,000,000 assumed to reduce the plan balance over the plan year and the balance by rate surcharge.

<b>Two-Year Funding</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>	<b>Scenario 5</b>
Funding Amount	\$ 20,792,323	\$ 20,792,323	\$ 20,792,323	\$ 20,792,323	\$ 20,792,323
<i>First Year Activity</i>					
Rate Adjustment	\$ 10,396,162	\$ 8,121,864	\$ 5,527,297	\$ 4,527,297	\$ 6,527,297
Plan Experience	\$ -	\$ -	\$ 2,594,567	\$ 3,594,567	\$ 1,594,567
<u>Other Means</u>	<u>\$ -</u>	<u>\$ 2,274,298</u>	<u>\$ 2,274,298</u>	<u>\$ 2,274,298</u>	<u>\$ 2,274,298</u>
Total	\$ 10,396,162	\$ 10,396,162	\$ 10,396,162	\$ 10,396,162	\$ 10,396,162
Avg. Surcharge pepm	\$ 123.04	\$ 96.12	\$ 65.42	\$ 53.58	\$ 77.25
1st year rate adjustment	12.4%	9.7%	6.6%	5.4%	7.8%
2nd year rate adjustment	12.4%	12.4%	12.4%	12.4%	12.4%
<b>Five-Year Funding</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>	<b>Scenario 5</b>
Funding Amount	\$ 20,792,323	\$ 20,792,323	\$ 20,792,323	\$ 20,792,323	\$ 20,792,323
<i>First Year Activity</i>					
Rate Adjustment	\$ 4,158,465	\$ 1,884,167	\$ (710,400)	\$ (1,710,400)	\$ 289,600
Plan Experience	\$ -	\$ -	\$ 2,594,567	\$ 3,594,567	\$ 1,594,567
<u>Other Means</u>	<u>\$ -</u>	<u>\$ 2,274,298</u>	<u>\$ 2,274,298</u>	<u>\$ 2,274,298</u>	<u>\$ 2,274,298</u>
Total	\$ 4,158,465	\$ 4,158,465	\$ 4,158,465	\$ 4,158,465	\$ 4,158,465
Avg. Surcharge pepm	\$ 49.22	\$ 22.30	\$ (8.41)	\$ (20.24)	\$ 3.43
1st year rate adjustment	5.0%	2.3%	-0.9%	-2.0%	0.3%
2nd year rate adjustment	5.0%	5.0%	5.0%	5.0%	5.0%
3rd year rate adjustment	5.0%	5.0%	5.0%	5.0%	5.0%
4th year rate adjustment	5.0%	5.0%	5.0%	5.0%	5.0%
5th year rate adjustment	5.0%	5.0%	5.0%	5.0%	5.0%

It is assumed in years where a negative surcharge exists that the surcharge for the year would be 0.0% and that the negative amount would carry forward into the next year. As this table illustrates, a



short funding policy will not allow as much consideration for plan experience nor funding by other means.

Keenan recommends that the SJVIA Board take the following action:

- Determine the overall duration of the funding policy with its annual targets,
- Agree that the funding of loan repayment, IBNR reserve, and stabilization reserve occur equally and concurrently,
- Utilize the plan performance from July of the previous year through June of the present year. So that:
  - The plan experience and funds from other means can be considered for the next year's surcharge determination, and
  - The surcharge, if applicable, can be calculated at the time of the renewal and in conjunction with the renewal.
- Review of the annual plan performance of the plan and approve plan surpluses be equally distributed for the funding of loan repayment, IBNR reserve, and stabilization reserve and that any plan deficits be applied into the following years renewal.

The following chart illustrates 2018 plan surpluses, and funding expectations by other means.

5-Year Funding Model													
2018	January	February	March	April	May	June	July	August	September	October	November	December	Total
Funding from Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Plan Experience	\$ 1,618,553	\$ 1,538,314	\$ (562,300)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,594,567
Funding from Other Means													
Kaiser Rate Surcharge	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 1,155,952
Delta Dental Premium Holiday	\$ 362,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362,752
Delta Dental 2% Rate Subsidy	\$ 7,389	\$ 7,389	\$ 7,389	\$ 7,389	\$ 7,389	\$ 7,389	\$ 7,389	\$ 7,389	\$ 7,389	\$ 7,389	\$ 7,389	\$ 7,389	\$ 88,672
2018 Available Funding	\$ 2,085,024	\$ 1,642,033	\$ (458,581)	\$ 103,719	\$ 103,719	\$ 103,719	\$ 103,719	\$ 103,719	\$ 103,719	\$ 103,719	\$ 103,719	\$ 103,719	\$ 4,201,943
2019	January	February	March	April	May	June	July	August	September	October	November	December	Total
Funding from Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Plan Experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Other Means													
Kaiser Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta Dental PSR Transfer	\$ 330,526	\$ 220,351	\$ 110,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 661,052
2019 Available Funding	\$ 330,526	\$ 220,351	\$ 110,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 661,052
2020	January	February	March	April	May	June	July	August	September	October	November	December	Total
Funding from Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Plan Experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Other Means													
Kaiser Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta Dental PSR Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020 Available Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	January	February	March	April	May	June	July	August	September	October	November	December	Total
Funding from Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Plan Experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Other Means													
Kaiser Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta Dental PSR Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021 Available Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	January	February	March	April	May	June	July	August	September	October	November	December	Total
Funding from Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Plan Experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Other Means													
Kaiser Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta Dental PSR Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022 Available Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	January	February	March	April	May	June	July	August	September	October	November	December	Total
Funding from Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Plan Experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Other Means													
Kaiser Rate Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta Dental PSR Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023 Available Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

We look forward to discussing the funding policy with the SJVIA Board.

<b>SJVIA Reconciliation Report</b>	<b>County of Fresno</b>	<b>County of Tulare</b>	<b>All Other</b>	<b>Total</b>	
<b>2010</b>	Prem	\$ 50,665,202	\$ 17,911,599	\$ -	\$ 68,576,801
	Total Cost	\$ 44,533,175	\$ 16,713,535	\$ -	\$ 61,246,710
	\$ Difference	\$ 6,132,027	\$ 1,198,064	\$ -	\$ 7,330,091
	Loss Ratio	87.9%	93.3%		89.3%
<b>2011</b>	Prem	\$ 52,517,786	\$ 18,761,442	\$ -	\$ 71,279,228
	Total Cost	\$ 50,069,713	\$ 17,339,730	\$ -	\$ 67,409,443
	\$ Difference	\$ 2,448,073	\$ 1,421,712	\$ -	\$ 3,869,785
	Loss Ratio	95.3%	92.4%		94.6%
<b>2012</b>	Prem	\$ 49,021,119	\$ 18,652,690	\$ 1,615,134	\$ 69,288,943
	Total Cost	\$ 49,373,590	\$ 18,158,890	\$ 952,672	\$ 68,485,152
	\$ Difference	\$ (352,471)	\$ 493,800	\$ 662,462	\$ 803,791
	Loss Ratio	100.7%	97.4%	59.0%	98.8%
<b>2013</b>	Prem	\$ 51,805,087	\$ 20,213,240	\$ 6,329,512	\$ 78,347,839
	Total Cost	\$ 54,494,145	\$ 19,593,648	\$ 3,237,079	\$ 77,324,872
	\$ Difference	\$ (2,689,058)	\$ 619,592	\$ 3,092,433	\$ 1,022,967
	Loss Ratio	105.2%	96.9%	51.1%	98.7%
<b>2014</b>	Prem	\$ 54,623,726	\$ 21,264,758	\$ 10,757,298	\$ 86,645,782
	Total Cost	\$ 57,650,686	\$ 21,921,410	\$ 8,433,103	\$ 88,005,199
	\$ Difference	\$ (3,026,960)	\$ (656,652)	\$ 2,324,195	\$ (1,359,417)
	Loss Ratio	105.5%	103.1%	78.4%	101.6%
<b>2015</b>	Prem	\$ 49,618,314	\$ 22,054,758	\$ 29,128,144	\$100,801,216
	Total Cost	\$ 58,310,828	\$ 24,165,068	\$ 30,105,331	\$112,581,227
	\$ Difference	\$ (8,692,514)	\$ (2,110,310)	\$ (977,187)	\$ (11,780,011)
	Loss Ratio	117.5%	109.6%	103.4%	111.7%
<b>2016</b>	Prem	\$ 48,494,301	\$ 23,187,401	\$ 37,485,777	\$109,167,479
	Total Cost	\$ 54,557,114	\$ 24,588,519	\$ 42,437,463	\$121,583,095
	\$ Difference	\$ (6,062,813)	\$ (1,401,118)	\$ (4,951,686)	\$ (12,415,616)
	Loss Ratio	112.5%	106.0%	113.2%	111.4%
<b>2017</b>	Prem	\$ 51,548,146	\$ 25,495,670	\$ 7,868,941	\$ 84,912,757
	Total Cost	\$ 49,776,530	\$ 24,519,642	\$ 10,428,473	\$ 84,724,645
	\$ Difference	\$ 1,771,616	\$ 976,028	\$ (2,559,532)	\$ 188,112
	Loss Ratio	96.6%	96.2%	132.5%	99.8%
<b>2010-2017</b>	Prem	\$408,293,681	\$167,541,558	\$ 93,184,806	\$669,020,045
	Total Cost	\$418,765,781	\$167,000,442	\$ 95,594,121	\$681,360,343
	\$ Difference	\$ (10,472,100)	\$ 541,116	\$ (2,409,315)	\$ (12,340,298)
	Loss Ratio	102.6%	99.7%	102.6%	101.8%

SJVIA Reconciliation Report		County of Fresno	County of Tulare	All Other	Total
2010-2017	Prem	\$408,293,681	\$167,541,558	\$ 93,184,806	\$669,020,045
	Total Cost	\$418,765,781	\$167,000,442	\$ 95,594,121	\$681,360,343
	\$ Difference	\$ (10,472,100)	\$ 541,116	\$ (2,409,315)	\$ (12,340,298)
	Loss Ratio	102.6%	99.7%	102.6%	101.8%
<b>Adjustments to the Plan Performance</b>					
2010-2017	HMO YEA	\$ 2,895,972	\$ 68,315	\$ 133,749	\$ 3,098,036
	RX Rebates	\$ 1,242,665	\$ 671,170	\$ 96,410	\$ 2,010,245
	SubTotal	\$ 4,138,637	\$ 739,485	\$ 37,339	\$ 5,108,281
	\$ Difference	\$ (6,333,463)	\$ 1,280,601	\$ (2,371,976)	\$ (7,424,837)
	AO Reallocation	\$ (1,382,626)	\$ (935,569)	\$ (53,780)	\$ (2,371,976)
	<b>Total Cost</b>	<b>\$ (7,716,089)</b>	<b>\$ 345,032</b>	<b>\$ (53,780)</b>	<b>\$ (7,424,837)</b>