

Meeting Location:
County of Fresno
Fresno County Board of Supervisors
Chambers
2281 Tulare Street, #301
Fresno, CA 93721

AGENDA DATE: July 20, 2018

ITEM NUMBER: Item 16

SUBJECT: Receive and File Consultant's Report on Plan Year 2019 Pre-Renewal (I)

REQUEST(S): That the Board receive and file the Consultant's report on the Plan Year 2019 Pre-Renewal and provide direction to finalize the renewal.

DESCRIPTION:

Self-funded Medical – The 2019 Preliminary Renewal Report shows a 4.7% renewal increase, or \$3,693,139. This includes \$3,044,910 in margin and IBNR reserve accumulation.

For the County of Fresno, the underwriting indicated the following:

- +10.7% on the EPO plan
- -25.1% for the PPO and HDHP plans
- Overall renewal increase of 4.0%
 - Were this the final renewal, Keenan would recommend the +4.0% be passed on to both the EPO and the PPO/HDHP plans.

For the County of Tulare PPO/HDHP, the underwriting indicated +7.3%.

For the City of Marysville, the underwriting shows a -29.4%. Since the enrollment in Marysville's PPO plan is 37 employees, the results from the underwriting is only partially credible. Were this the final renewal, Keenan would recommend Marysville receive the average SJVIA renewal of +4.7%.

Should the Board choose to increase reserve accumulation beyond what is built into the renewal, the renewal percentage would increase further.

Kaiser Medical – For the 2018 Plan Year, the SJVIA elected to hold the Kaiser rates the same from 2017 when the 2018 renewal provided approximately a 4.5% rate decrease. The preliminary 2019 renewal is +6.1 to 6.3%. The net

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 20, 2018

action for 2019 would be a +0.5 to 1.5% renewal rate adjustment. The SJVIA may want to add a percentage for reserve accumulation.

Dental – Delta Dental will be going into its second year of a two-year rate guarantee. Two self-funded options have been provided which would allow for the transference of the Premium Stabilization Reserve (estimated at \$500,000 to \$1,000,000 by year-end, dependent on claim activity) from Delta Dental to the SJVIA in claims dollars.

Vision – VSP will be going into its second year of a two-year rate guarantee.

FISCAL IMPACT/FINANCING:

Should the SJVIA Board adopt the recommended renewal action from the 2019 preliminary renewal, the SJVIA health plan would experience a 4.4% increase in cost, or \$4,189,043 (from \$95,365,775 in 2018 to \$99,554,818 projected in 2019).

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager