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## **SJVIA Board Meeting: Consultant's Report on Medical, Dental, and Vision Experience Through May 2019**

The following pages provide a summary of the plan experience from January 1 through May 31, 2019. The Anthem self-funded medical plan shows a surplus of \$1,026,717 or a 96.9% Total Cost loss ratio. This includes paying the second-year runout claims on the discontinued Anthem HMO and the two cities which terminated effective January 1, 2018.

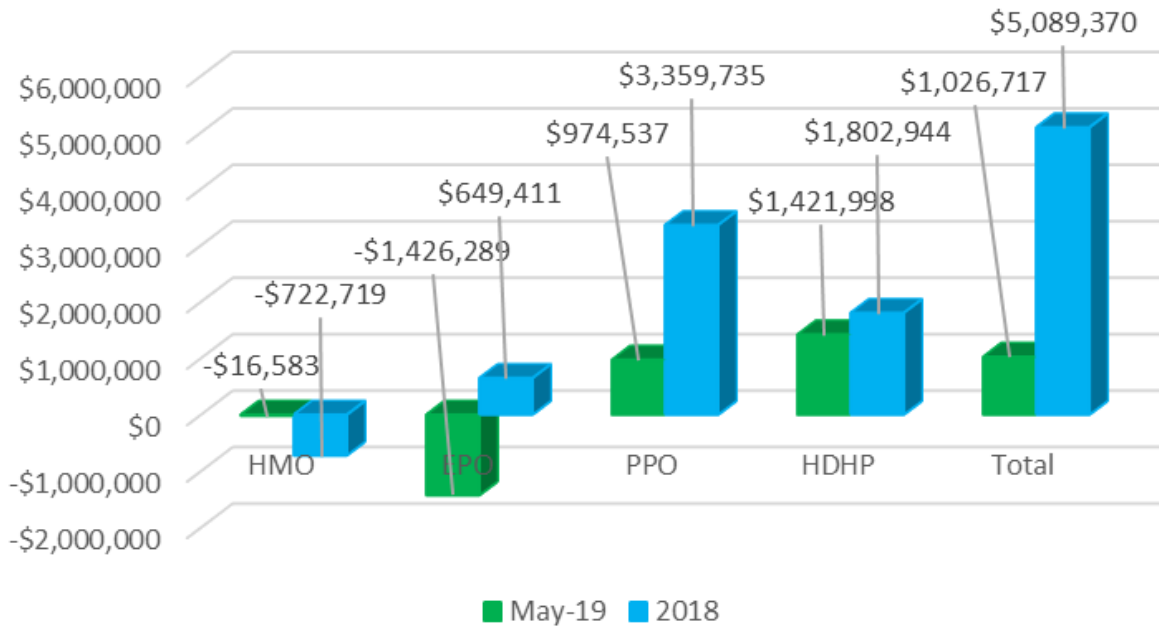
The County of Fresno's EPO is a loss leader with a -\$1,426,288 deficit position. For 2019, the County of Fresno elected to pass on a combined renewal among its EPO, PPO, and HDHP plans. This means that the EPO plan received a common 6.54% increase in lieu of the 11.85% specific EPO renewal. The expectation for 2019 was that the EPO plan would perform at a -\$883,971 (the difference between the combined and individual renewal) deficit position while the other PPO and HDHP plans would make up the deficit difference. Through May, the shortfall is \$542,317 on the EPO plan. It should be noted that the County of Fresno in total has contributed positively to the surplus position with a 98.1% total cost loss ratio and \$405,243 as Fresno's overall loss ratio and surplus position towards reserves. For 2020, the County of Fresno will look at a variety of strategies to minimize the impact of the EPO renewal.

For the 2019 Plan year, the SJVIA changed the dental PPO plan to self-funding. Through May 2019, the dental program has accumulated \$122,254 in surplus or a 93.6% Total Cost loss ratio. Please note that the cumulative report includes IBNR reserve build up and claims for January through May and should be considered mature.

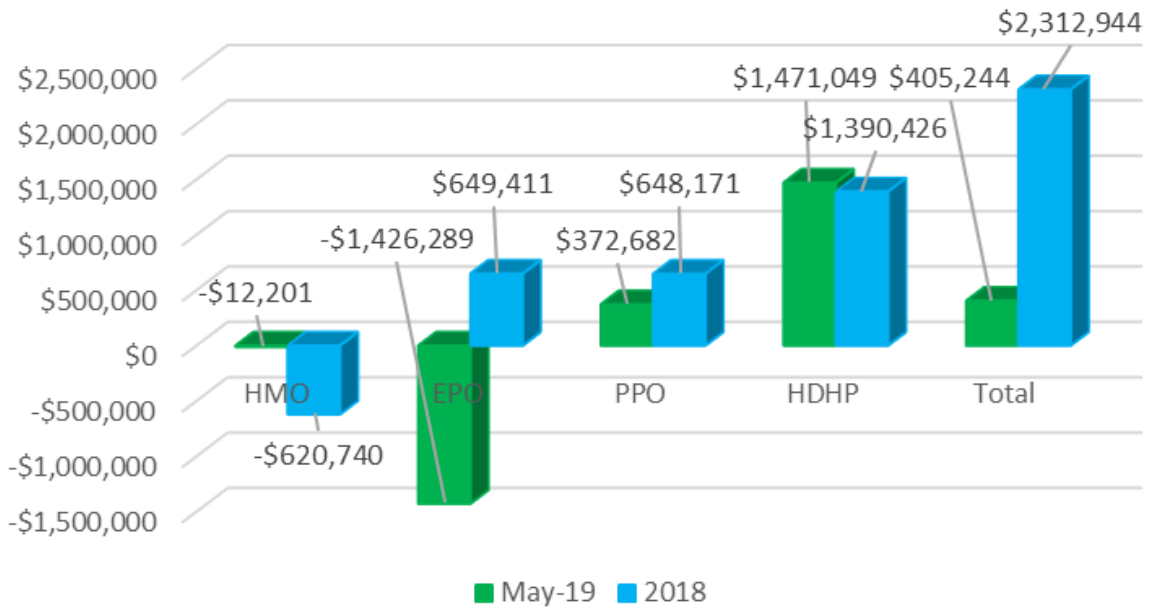
The vision plan remains fully insured and is in a deficit position of -\$12,756. Under the fully insured arrangement all deficit or surplus arrangements stay with the carrier.

The following charts illustrate the year over year reserve accumulation by plan and entity.

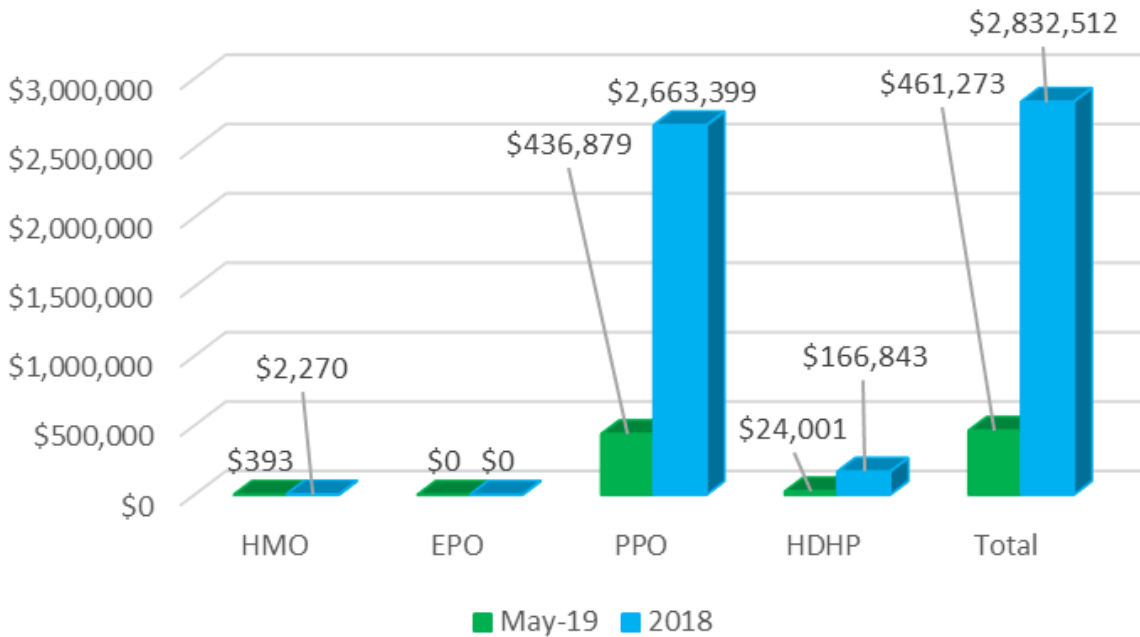
# SJVIA - May 2019 vs. 2018



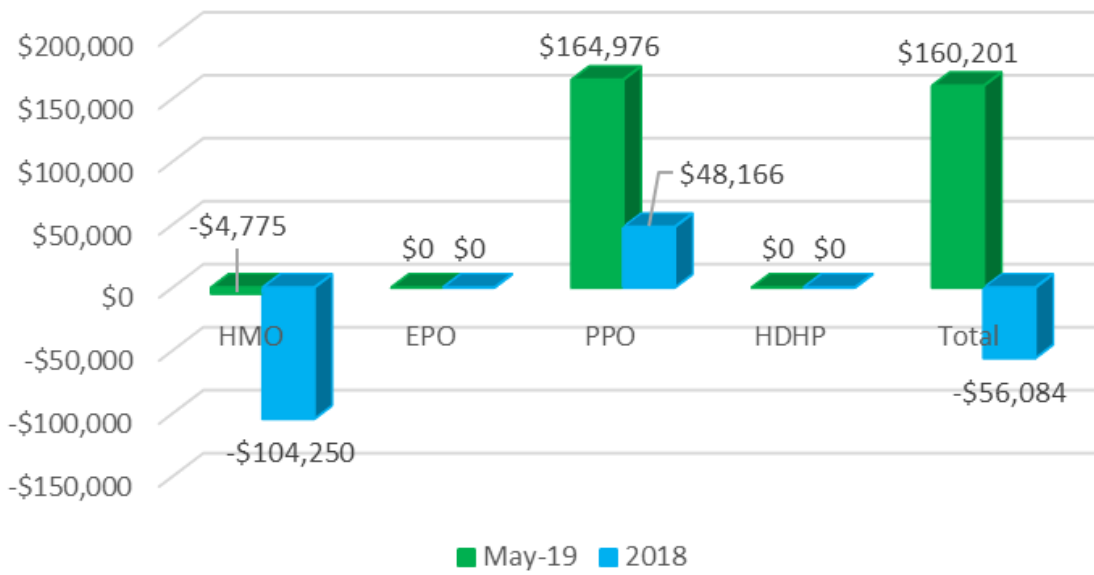
### County of Fresno - May 2019 vs. 2018



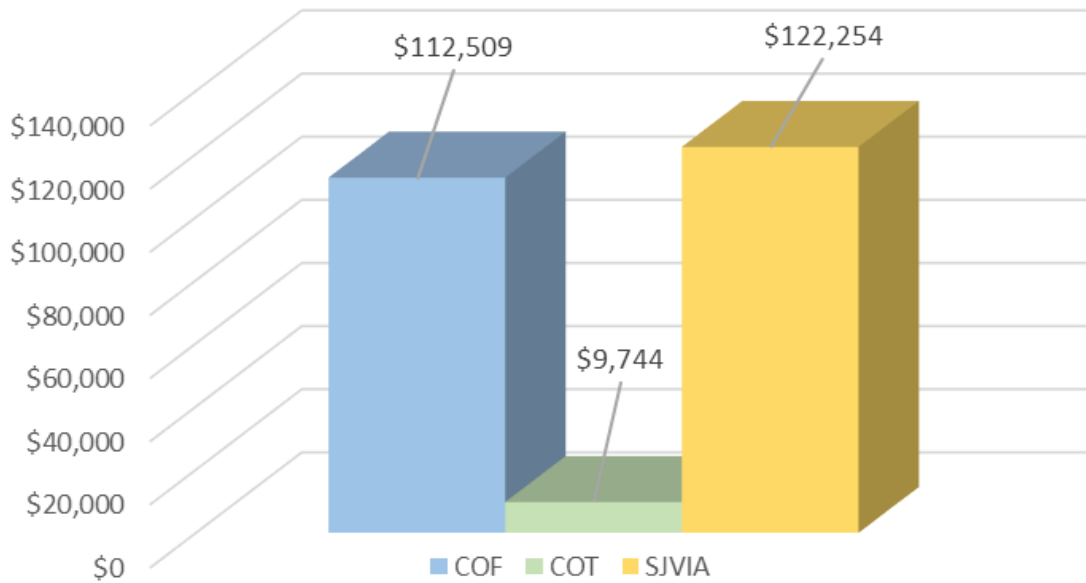
### County of Tulare - May 2019 vs. 2018



### City of Marysville - May 2019 vs. 2018



### SJVIA Dental Experience - May, 2019



<b>Reserve Accumulation /Funding Model</b>													
<b>2018</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>Total</b>
<b>Budget</b>													
Medical Plan Experience	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 2,881,460
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 Budgeted Reserve Buildup	\$ 706,592	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 4,488,836
<b>Actual</b>													
Medical Plan Experience	\$ 1,534,858	\$ 1,400,750	\$ (989,574)	\$ 480,446	\$ 8,084	\$ 578,056	\$ 255,195	\$ (80,220)	\$ 1,069,414	\$ (6,979)	\$ 164,822	\$ 674,518	\$ 5,089,370
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 Actual Reserve Buildup	\$ 2,001,329	\$ 1,504,469	\$ (885,855)	\$ 584,165	\$ 111,803	\$ 681,775	\$ 358,914	\$ 23,499	\$ 1,173,133	\$ 96,740	\$ 268,541	\$ 778,237	\$ 6,696,746
<b>2019</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>Total</b>
<b>Budget</b>													
Plan Experience	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 3,283,410
Kaiser Rate Surcharge	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 719,171
Delta Dental PSR Transfer	\$ 398,199	\$ 265,466	\$ 132,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 796,398
2019 Budgeted Reserve Buildup	\$ 731,747	\$ 599,014	\$ 466,281	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 4,798,979
<b>Actual</b>													
Plan Experience (Medical)	\$ 321,615	\$ 626,456	\$ (471,457)	\$ (61,908)	\$ 612,011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,026,717
Plan Experience (Dental)	\$ 62,170	\$ 18,032	\$ 34,048	\$ 20,197	\$ (12,193)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,254
Kaiser Rate Surcharge	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,655
Delta Dental PSR Transfer	\$ 379,822	\$ 379,190	\$ 189,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 948,664
2019 Actual Reserve Buildup	\$ 823,538	\$ 1,083,609	\$ (187,826)	\$ 18,220	\$ 659,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,397,290

The chart above shows budgeted reserve buildup to realized buildup based on plan experience for 2018 and 2019. For 2019, the SJVIA has realized \$2,397,290 of the \$4.8 million projected reserve buildup.

Please note that this is the consultant’s report and prior to allocating funds for IBNR, the stabilization reserve, and to provide loan repayment, the SJVIA Auditor should validate reserve accumulation and availability.