



BOARD OF DIRECTORS

STEVE BRANDAU
KUYLER CROCKER
NATHAN MAGSIG
BUDDY MENDES
BRIAN PACHECO
AMY SHUKLIAN
PETE VANDER POEL

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Avenue
Visalia, CA 93291**

AGENDA DATE: August 23, 2019

ITEM NUMBER: Item 15

SUBJECT: Receive Consultant's Plan Year 2020 Underwriting Renewal Report, Finalize and Approve 2020 Rates and Fees, Authorize Consultant and SJVIA Staff to Negotiate Agreements, and President to Execute Agreements Subject to Approval of SJVIA Counsel and Staff (A)

REQUEST(S): That the Board finalize and approve PY 2020 Rates and Fees, authorize Consultant and SJVIA Staff to negotiate Agreements, and President to execute Agreements subject to approval of SJVIA Counsel and Staff.

DESCRIPTION:

Medical Anthem (Self-funded)

The Final Renewal Report updates the plan experience by one month, utilizing 12 months of data through June 2019. The SJVIA Consultant prepared various options for the self-funded plans. The Consultant recommends increasing the County of Fresno self-funded rates by 2.71% (\$1,370,647), the County of Tulare by 4.72% (\$1,325,507) and the City of Marysville by 0.00%, based on Option 3 as detailed in the full report. The renewal action includes \$100,192 in IBNR reserve buildup and \$3,265,209 in stabilization reserve build-up for a total of \$3,365,401. Anthem Blue Cross is offering \$50,000 for 2020 as a contribution to SJVIA wellness efforts.

Medical Kaiser (Fully-insured)

Kaiser is requesting renewal decreases of -3.48% for the County of Fresno, -3.04% HMO and -3.19% DHMO for the County of Tulare, and -3.47% for the City of Marysville. SJVIA staff recommends accepting the renewal and maintaining the SJVIA rates to members at 0.0% for the County of Tulare and the City of Marysville and allowing the County of Fresno to create rate

AGENDA: San Joaquin Valley Insurance Authority

DATE: August 23, 2019

parity between the EPO and the Kaiser plan for the County of Fresno. Rate parity is a renewal strategy that has previously not been used within the SJVIA.

The SJVIA rates would include a 3.0% surcharge for the County of Fresno and the City of Marysville, and 2.0% surcharge for the County of Tulare. be added to the rates for the stabilization reserve. Kaiser's renewal includes a \$50,000 contribution in 2020 for wellness to be used for Kaiser-approved wellness activities.

Dental PPO (Self-funded)

The Delta Dental self-funded renewal requires no increase for the either County.

Dental DHMO (Fully-insured)

The DeltaCare renewal is asking for a 4.33% increase for the County of Fresno and 4.07% for the County of Tulare, with a two-year rate guarantee.

Vision (Fully-Insured)

The VSP renewal offers a 2% increase with a two-year rate guarantee.

FISCAL IMPACT/FINANCING:

The annual financial impact for the 2020 renewal is an increase of \$4,777,432 or 4.13% to the SJVIA overall benefits program.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager