

**Meeting Location:
County of Tulare
Human Resources & Development Dept.
Innovation Conference Room
2500 W. Burrel Avenue
Visalia, CA 93291**

AGENDA DATE: December 9, 2022

ITEM NUMBER: Item 9

SUBJECT: Receive Consultant's Medical, Dental, and Vision Experience Reports through September 2022 with Update on Projected Plan Experience Surplus Accumulation and Projections (I)

REQUEST(S): That the Board receive the Consultant's medical, dental, and vision experience reports through September 2022 and update on projected plan experience accumulation.

DESCRIPTION:

The Consultant's report shows that on a total cost basis from January through September 2022, the self-insured medical premium of \$60,427,550 was less than the total cost of \$63,243,234 for a deficit accumulation of (\$2,815,683), or a 104.7% loss ratio.

For the self-insured dental, the report shows that on a total cost basis, the dental premium of \$3,578,291 exceeded total cost of \$3,149,645 for an accumulation of \$428,646 or an 88.0% loss ratio.

The vision plan remains fully insured and has an accumulation of \$56,197. Under the fully insured arrangement all deficit or surplus positions stay with the carrier.

Keenan projected a \$4,135,672 accumulation for the 2022 plan year. The accumulation is built from premium exceeding plan costs, built-in margin on the Kaiser plan, prescription drug rebates, and other sources. The current 2022 position is \$948,381, 22.9% of the projected annual total.

Please note this is the consultant's report. Prior to allocating funds for IBNR and stabilization reserves, the SJVIA Auditor will provide the unaudited

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reserve accumulation based on actual revenue received and actual expenses paid.

FISCAL IMPACT/FINANCING:

The 2022 plan year experience through June developed a (\$2,815,683) medical deficit accumulation and a \$428,646 dental accumulation for a total deficit of (\$2,387,037). The addition of \$2,731,351 in prescription drug rebates, the Kaiser reserve of \$301,074, and the Kaiser EPO parity reserve of \$302,993, brings the collective total reserve accumulation to a positive \$948,381 for the 2022 year. This is based on Consultant's report; the Auditor will provide the unaudited reserve accumulation based on actual revenue received and actual expenses paid.

ADMINISTRATIVE SIGN-OFF:



Hollis Magill
SJVIA Manager



Lupe Garza
SJVIA Assistant Manager