



BOARD OF DIRECTORS

STEVE BRANDAU

NATHAN MAGSIG

BUDDY MENDES

LARRY MICARI

BRIAN PACHECO

AMY SHUKLIAN

PETE VANDER POEL

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

AGENDA DATE: February 18, 2022

ITEM NUMBER: Item 12

SUBJECT: Receive Consultant's Medical, Dental, and Vision Experience Reports through December 2021 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 report through December 2021 and update on projected plan experience accumulation.

DESCRIPTION:

The consultant's report shows that on a total cost basis from January through December 2021, the total self-insured medical cost of \$82,645,642 exceeded medical total premium of \$81,247,360 for a deficit accumulation of -\$1,398,283, or a 101.7% loss ratio. It is important to note that plan experience during the COVID-19 pandemic is unprecedented as well as how the plan experience will react after the pandemic.

For the self-insured dental, the report shows that on a total cost basis, the dental premium of \$4,771,036 exceeded total cost of \$4,305,028 for a surplus accumulation of \$466,008, or a 90.2% loss ratio.

The vision plan remains fully insured and has an accumulation of \$50,883. Under the fully insured arrangement all deficit or surplus positions stay with the carrier.

Keenan projected an \$8,821,449 accumulation for the 2021 plan year. The accumulation is built from premium exceeding plan costs, built-in margin on the Kaiser plan, prescription drug rebates, and other sources. For 2021, \$5,081,462 or 57.6% of the annual total has been realized for the 2021 plan year.

AGENDA: San Joaquin Valley Insurance Authority

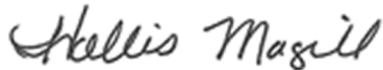
DATE: February 18, 2022

Please note this is the consultant's report and, prior to allocating funds for IBNR and stabilization reserves, the SJVIA Auditor will provide the unaudited reserve accumulation based on actual revenue received and actual expenses paid.

FISCAL IMPACT/FINANCING:

The 2021 plan year experience through December developed a -\$1,398,283 medical deficit accumulation and a \$466,008 dental accumulation for an adjusted total deficit accumulation of -\$932,275. The addition of the Kaiser reserve of \$788,665, the Kaiser EPO parity reserve of \$2,469,507, and the prescription drug rebates of \$2,755,566 brings the collective total reserve accumulation up to \$5,081,462 (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