



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: July 22, 2022

ITEM NUMBER: Item 8

SUBJECT: Receive Consultant's Medical, Dental, and Vision Experience Reports through May 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 May 2022 and update on projected plan experience surplus accumulation and projections.

DESCRIPTION:

The consultant's report shows that on a total cost basis from January through May 2022, the self-insured medical premium of \$33,423,086 was less than the total cost of \$34,070,484 for a deficit accumulation of (\$647,396), or a 101.9% loss ratio.

For the self-insured dental, the report shows that on a total cost basis, the dental premium of \$1,991,078 exceeded total cost of \$1,782,893 for an accumulation of \$208,802, or an 89.5% loss ratio.

The vision plan remains fully insured and has an accumulation of \$27,804. 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. As of May 31, 2022, \$1,345,405 of the annual total has been realized for the 2022 plan year.

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

AGENDA: San Joaquin Valley Insurance Authority

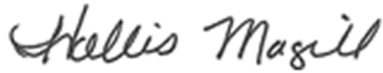
DATE: July 22, 2022

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

FISCAL IMPACT/FINANCING:

The 2022 plan year experience through May developed a (\$647,396) medical deficit accumulation and a \$208,802 dental accumulation for a total deficit of (\$438,594). The addition of \$1,445,268 in prescription drug rebates, the Kaiser reserve of \$168,656, and the Kaiser EPO parity reserve of \$170,075, brings the collective total reserve accumulation up to \$1,345,405 (based on the consultant's report; the SJVIA 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