

July 22, 2022

## **SJVIA Board Meeting: Consultant's Report 2023 Preliminary Renewal Report**

### **Introduction**

Keenan is pleased to present the SJVIA 2023 preliminary renewal. The preliminary renewal is prepared in accordance with SJVIA Board direction and standard insurance industry underwriting guidelines. Anthem Blue Cross medical, EmpiRx pharmacy, and Delta Dental PPO dental coverages are self-funded. Kaiser medical, Delta Dental DHMO, and VSP vision coverages are fully insured.

The self-funded preliminary renewal is produced with the following factors:

- The self-funded medical plans are underwritten on the most recent 12 months of plan experience available from June 1, 2021 through May 31, 2022
- All self-funded coverage is underwritten based on its own claim experience; the plan experience is considered 100% credible
- Fixed cost components continue to be blended for both participating entities to receive overall economies of scale and reduced fixed costs
- The preliminary renewal assumes the continuation of the \$450,000 specific stop-loss deductible and a 10% increase in reinsurance cost
  - Please note, quotes will be solicited from the market for the Stop Loss line of coverage and staff will return at the December Board meeting with a complete analysis and recommendation
- The preliminary renewal includes the December 31, 2021 IBNR reserve level approved by the SJVIA Board at the February 18, 2022 SJVIA Board meeting; the final renewal will update the IBNR reserve with the June 30, 2022 actuarially certified IBNR reserve calculations
- The current 2022 rates include 1.5% margin for the County of Fresno and 0.0% margin for the County of Tulare; based on the claim cost in the experience period, a 1.5% margin is included for both Counties

The preliminary renewal is presented to the SJVIA Board to provide a preview of the 2023 final renewal and provide an opportunity for the Board to give direction to staff and Keenan in preparing the final renewal. The final renewal will be based on the plan experience from July 1, 2021 through June 30, 2022 for the self-funded coverage. We will work with Keenan's underwriting team to ensure the medical and pharmacy renewal projections take into consideration the past plan performance and the impact of COVID-19 on the plans.

## Executive Summary

Keenan is pleased to present the 2023 SJVIA preliminary renewal. On an overall basis, the SJVIA renewal is 7.31% (County of Fresno 5.41% and County of Tulare 12.88%). The following table illustrates the 2023 preliminary rate adjustments based on carrier requested renewals and standard underwriting practices:

Executive Summary	Preliminary Renewal			Comments
	COF	COT	SJVIA	
Self-Funded Medical				The 2023 preliminary renewal rates include \$2,246,210 in margin (1.5%). Change in IBNR will be calculated in the final renewal when the June 30, 2022 actuarially certification of the IBNR reserve is done. Margin is available to cover adverse claim fluctuation and improve SJVIA's cash position.
EPO	12.08%	n/a	12.08%	
PPO / HDHP	-18.55%	14.51%	7.11%	
Total	7.68%	14.51%	9.95%	
Kaiser				Kaiser is requesting a renewal increase of 2.65% which is below trend and is the result of over projecting costs during the COVID period. SJVIA experienced two years of high renewals for 2021 and 2022.
HMO	2.68%	2.66%	2.68%	
Deductible HMO	n/a	2.65%	2.65%	
Kaiser				The 2023 Kaiser Medicare Senior Advantage rates reflect a significant decrease. County of Tulare may want to accept the renewal and implement a multi-year strategy and minimize cost savings to members and reserve the difference to take greater control over future renewals.
Senior Advantage Medicare	n/a	-10.95%	-10.95%	
Delta Dental				The 2023 preliminary renewal rate underwriting shows a 4.36% decrease. This includes a 2.0% margin. SJVIA may elect to hold rates at 0.00% and apply a cross-subsidy of -4.36% to the self-funded medical plans. The Delta Dental DHMO rates remain unchanged with rates guaranteed through 2023.
PPO	-4.55%	-3.92%	-4.36%	
DHMO	0.00%	0.00%	0.00%	
VSP				The VSP rates remain unchanged with rates guaranteed through 2023.
	0.00%	0.00%	0.00%	

## Executive Summary

The following chart illustrates the projected cost for 2022 and 2023, the dollar cost differential, and percentage differential based on the recommended renewal action.

County of Fresno	2022	2023	\$ Difference	% Difference
EPO	\$ 45,462,275	\$ 50,956,323	\$ 5,494,048	12.08%
PPO/HDHP	\$ 7,632,887	\$ 6,216,927	\$ (1,415,960)	-18.55%
Total Anthem	\$ 53,095,162	\$ 57,173,250	\$ 4,078,088	7.68%
Kaiser	\$ 29,204,527	\$ 29,987,157	\$ 782,630	2.68%
Kaiser - KPSA	\$ -	\$ -	\$ -	0.00%
Total Medical	\$ 82,299,689	\$ 87,160,407	\$ 4,860,718	5.91%
Delta Dental PPO	\$ 3,348,184	\$ 3,195,799	\$ (152,385)	-4.55%
Delta Dental DHMO	\$ 821,623	\$ 821,623	\$ -	0.00%
Total Dental	\$ 4,169,807	\$ 4,017,422	\$ (152,385)	-3.65%
Vision	\$ 533,821	\$ 533,821	\$ -	0.00%
<b>Grand Total</b>	<b>\$ 87,003,316</b>	<b>\$ 91,711,649</b>	<b>\$ 4,708,333</b>	<b>5.41%</b>
County of Tulare	2022	2023	\$ Difference	% Difference
EPO	\$ -	\$ -	\$ -	0.00%
PPO/HDHP	\$ 26,487,837	\$ 30,330,075	\$ 3,842,238	14.51%
Total Anthem	\$ 26,487,837	\$ 30,330,075	\$ 3,842,238	14.51%
Kaiser	\$ 1,450,690	\$ 1,489,289	\$ 38,599	2.66%
Kaiser - KPSA	\$ 38,876	\$ 34,620	\$ (4,256)	-10.95%
Total Medical	\$ 27,938,527	\$ 31,819,364	\$ 3,880,837	13.89%
Delta Dental PPO	\$ 1,418,416	\$ 1,362,836	\$ (55,580)	-3.92%
Delta Dental DHMO	\$ 139,168	\$ 139,168	\$ -	0.00%
Total Dental	\$ 1,557,584	\$ 1,502,004	\$ (55,580)	-3.57%
Vision	\$ 205,531	\$ 205,531	\$ -	0.00%
<b>Grand Total</b>	<b>\$ 29,701,641</b>	<b>\$ 33,526,899</b>	<b>\$ 3,825,257</b>	<b>12.88%</b>
SJVIA	2022	2023	\$ Difference	% Difference
EPO	\$ 45,462,275	\$ 50,956,323	\$ 5,494,048	12.08%
PPO/HDHP	\$ 34,120,724	\$ 36,547,002	\$ 2,426,278	7.11%
Total Anthem	\$ 79,582,998	\$ 87,503,324	\$ 7,920,326	9.95%
Kaiser	\$ 30,655,217	\$ 31,476,446	\$ 821,229	2.68%
Kaiser - KPSA	\$ 38,876	\$ 34,620	\$ (4,256)	-10.95%
Total Medical	\$ 110,238,216	\$ 118,979,771	\$ 8,741,555	7.93%
Delta Dental PPO	\$ 4,766,599	\$ 4,558,634	\$ (207,965)	-4.36%
Delta Dental DHMO	\$ 960,791	\$ 960,791	\$ -	0.00%
Total Dental	\$ 5,727,390	\$ 5,519,425	\$ (207,965)	-3.63%
Vision	\$ 739,352	\$ 739,352	\$ -	0.00%
<b>Grand Total</b>	<b>\$ 116,704,958</b>	<b>\$ 125,238,548</b>	<b>\$ 8,533,590</b>	<b>7.31%</b>

## Executive Summary

The renewal cost adjustment for plan year 2023 for medical/prescription drug, dental, and vision by entity and SJVIA overall, are as follows:

- County of Fresno 5.41%
- County of Tulare 12.88%
- SJVIA 7.31%

The self-funded program will utilize the most recent available twelve months of plan experience (through June 30, 2022) in the final renewal.

As Keenan prepares the final renewal, we will work with the SJVIA and each County to implement strategies to minimize the cost of coverage. These strategies include:

- Further negotiations with carriers
- Renewal strategies focused to minimize renewal impacts on members
  - The County of Fresno's EPO/Kaiser parity strategy will be shown as part of the final renewal
  - The County of Fresno could apply cross-subsidies from the PPO/HDHP and dental PPO thus reducing the EPO renewal to 8.64% and 0.00% for the PPO/HDHP and Dental PPO plans
  - The County of Tulare could apply a cross-subsidy from the dental PPO thus reducing the PPO/HDHP renewal to 14.30% and 0.00% for the Dental PPO plan
- Given that many of the claims realized over the experience period represent run-out COVID related claims, members receiving care for surgeries and non-essential services postponed during the pandemic makes it difficult to project claims with a high degree of confidence. This has made the underwriting process very conservative. The SJVIA may want to consider a buy down strategy of rates to normalize the 2023 renewals, rather than passing on a higher rate increase to employees and their members. As an example, a 5.0% buy-down of the rates would be:
  - \$2,858,662 for the County of Fresno
  - \$1,516,504 for the County of Tulare
  - These funds would be funded from excess reserves and would only be realized if needed
- The self-funded plan's premium equivalent rates will be shown in conjunction with the final renewal

As the final 2023 renewal is prepared, Keenan will continue to include a component for margin accumulation to improve the SJVIA's cash position.

**Self-funded Medical Underwriting EPO and PPO/HDHP**

Line	EPO and PPO/HDHP			Fresno			Tulare			Total		
	Line Item/Description	EPO	Rx	Total	Medical	Rx	Total	Medical	Rx	Total		
1	Paid Claims (Jun 2021 through May 2022)	\$38,055,249	\$13,299,037	\$51,354,286	\$18,194,250	\$9,377,508	\$27,571,758	\$56,249,499	\$22,676,545	\$78,926,044		
2	Claim Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3	Plan Change Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
4	Rx Change Adjustments (Rx Rebates)	\$0	(\$2,321,053)	(\$2,321,053)	\$0	(\$1,475,807)	(\$1,475,807)	\$0	(\$3,796,860)	(\$3,796,860)		
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$1,176,264)</u>	<u>\$0</u>	<u>(\$1,176,264)</u>	<u>(\$138,916)</u>	<u>\$0</u>	<u>(\$138,916)</u>	<u>(\$1,315,180)</u>	<u>\$0</u>	<u>(\$1,315,180)</u>		
6	Adjusted Paid Claims	\$36,878,985	\$10,977,984	\$47,856,969	\$18,055,334	\$7,901,701	\$25,957,035	\$54,934,319	\$18,879,685	\$73,814,004		
7	Beginning Reserves @ 12/31/2021	(\$3,957,539)	(\$797,942)	(\$4,755,482)	(\$1,905,848)	(\$562,650)	(\$2,468,498)	(\$5,863,387)	(\$1,360,593)	(\$7,223,980)		
8	Ending Reserves @ 5/31/2022	<u>\$3,957,539</u>	<u>\$797,942</u>	<u>\$4,755,482</u>	<u>\$1,905,848</u>	<u>\$562,650</u>	<u>\$2,468,498</u>	<u>\$5,863,387</u>	<u>\$1,360,593</u>	<u>\$7,223,980</u>		
9	<b>Incurred Claims (Jun 2021 through May 2022)</b>	<b>\$36,878,985</b>	<b>\$10,977,984</b>	<b>\$47,856,969</b>	<b>\$18,055,334</b>	<b>\$7,901,701</b>	<b>\$25,957,035</b>	<b>\$54,934,319</b>	<b>\$18,879,685</b>	<b>\$73,814,004</b>		
10	Total Covered Employees (Apr 2021 through Mar 2022)	<u>46,548</u>	<u>46,548</u>	<u>46,548</u>	<u>35,705</u>	<u>35,705</u>	<u>35,705</u>	<u>82,253</u>	<u>82,253</u>	<u>82,253</u>		
11	Claims Cost PEPM	\$792.28	\$235.84	\$1,028.12	\$505.68	\$221.31	\$726.99	\$667.87	\$229.53	\$897.40		
12	Trend Factor	<u>1.0947</u>	<u>1.1049</u>	<u>1.0970</u>	<u>1.1296</u>	<u>1.1049</u>	<u>1.1221</u>	<u>1.1062</u>	<u>1.1049</u>	<u>1.1058</u>		
13	<b>Projected Claims Cost Per Employee</b>	<b>\$867.28</b>	<b>\$260.58</b>	<b>\$1,127.87</b>	<b>\$571.22</b>	<b>\$244.52</b>	<b>\$815.74</b>	<b>\$738.77</b>	<b>\$253.61</b>	<b>\$992.37</b>		
14	<u>Recommended Funding Margin</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>		
15	<b>Adjusted Projected Claims</b>	<b>\$880.29</b>	<b>\$264.49</b>	<b>\$1,144.78</b>	<b>\$579.79</b>	<b>\$248.19</b>	<b>\$827.97</b>	<b>\$749.85</b>	<b>\$257.41</b>	<b>\$1,007.26</b>		
	<b>Fixed Costs PEPM</b>											
16	Specific Stop-Loss Premium PEPM (Estimate)			\$20.56			\$18.55			\$19.69		
17	Aggregate Stop-Loss Premium PEPM (Estimate)			\$0.00			\$0.00			\$0.00		
18	Anthem Network & Administrative Fees			\$38.00			\$38.00			\$38.00		
19	All Other Program Fees			<u>\$22.18</u>			<u>\$19.63</u>			<u>\$21.08</u>		
	<b>Total Fixed Costs</b>			<b>\$80.74</b>			<b>\$76.18</b>			<b>\$78.76</b>		
20	<b>Required Premium PEPM</b>			<b>\$1,225.52</b>			<b>\$904.16</b>			<b>\$1,086.02</b>		
21	<b>Current Premium PEPM</b>			<b>\$1,140.92</b>			<b>\$774.77</b>			<b>\$981.98</b>		
22	<b>Required Increase</b>			<b>7.42%</b>			<b>16.70%</b>			<b>10.60%</b>		
23	<b>Current Subscribers (June 2021)</b>	3,863	3,863		2,849	2,849		6,712	6,712			
24	<b>Base Trend</b>	5.88%	6.50%		8.00%	6.50%		6.58%	6.50%			
25	<b>Months Trended</b>	19	19		19	19		19	19			

### Self-funded Medical Underwriting EPO

Line	EPO Line Item/Description	Fresno			Tulare			Total		
		Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
1	Paid Claims (Jun 2021 through May 2022)	\$33,690,218	\$12,105,895	\$45,796,113				\$33,690,218	\$12,105,895	\$45,796,113
2	Claim Adjustments	\$0	\$0	\$0				\$0	\$0	\$0
3	Plan Change Adjustments	\$0	\$0	\$0				\$0	\$0	\$0
4	Rx Change Adjustments (Rx Rebates)	\$0	(\$2,068,604)	(\$2,068,604)				\$0	(\$2,068,604)	(\$2,068,604)
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$1,176,264)</u>	<u>\$0</u>	<u>(\$1,176,264)</u>				<u>(\$1,176,264)</u>	<u>\$0</u>	<u>(\$1,176,264)</u>
6	Adjusted Paid Claims	\$32,513,954	\$10,037,291	\$42,551,245				\$32,513,954	\$10,037,291	\$42,551,245
7	Beginning Reserves @ 12/31/2021	(\$3,662,283)	(\$726,354)	(\$4,388,637)				(\$3,662,283)	(\$726,354)	(\$4,388,637)
8	Ending Reserves @ 5/31/2022	<u>\$3,662,283</u>	<u>\$726,354</u>	<u>\$4,388,637</u>				<u>\$3,662,283</u>	<u>\$726,354</u>	<u>\$4,388,637</u>
9	<b>Incurred Claims (Jun 2021 through May 2022)</b>	<b>\$32,513,954</b>	<b>\$10,037,291</b>	<b>\$42,551,245</b>				<b>\$32,513,954</b>	<b>\$10,037,291</b>	<b>\$42,551,245</b>
10	Total Covered Employees (Apr 2021 through Mar 2022)	<u>36,749</u>	<u>36,749</u>	<u>36,749</u>				<u>36,749</u>	<u>36,749</u>	<u>36,749</u>
11	Claims Cost PEPM	\$884.76	\$273.13	\$1,157.89				\$884.76	\$273.13	\$1,157.89
12	Trend Factor	<u>1.0966</u>	<u>1.1049</u>	<u>1.0986</u>				<u>1.0966</u>	<u>1.1049</u>	<u>1.0986</u>
13	<b>Projected Claims Cost Per Employee</b>	<b>\$970.23</b>	<b>\$301.78</b>	<b>\$1,272.01</b>				<b>\$970.23</b>	<b>\$301.78</b>	<b>\$1,272.01</b>
14	<u>Recommended Funding Margin</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>				<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>
15	<b>Adjusted Projected Claims</b>	<b>\$984.78</b>	<b>\$306.31</b>	<b>\$1,291.09</b>				<b>\$984.78</b>	<b>\$306.31</b>	<b>\$1,291.09</b>
	<b>Fixed Costs PEPM</b>									
16	Specific Stop-Loss Premium PEPM (Estimate)			\$21.60						\$21.60
17	Aggregate Stop-Loss Premium PEPM (Estimate)			\$0.00						\$0.00
18	Anthem Network & Administrative Fees			\$38.00						\$38.00
19	All Other Program Fees			<u>\$22.22</u>						<u>\$22.22</u>
	<b>Total Fixed Costs</b>			<b>\$81.81</b>						<b>\$81.81</b>
20	<b>Required Premium PEPM</b>			<b>\$1,372.90</b>						<b>\$1,372.90</b>
21	<b>Current Premium PEPM</b>			<b>\$1,224.87</b>						<b>\$1,224.87</b>
22	<b>Required Increase</b>			<b>12.09%</b>						<b>12.09%</b>
23	<b>Current Subscribers (June 2021)</b>	3,093	3,093					3,093	3,093	
24	<b>Base Trend</b>	6.00%	6.50%					6.00%	6.50%	
25	<b>Months Trended</b>	19	19					19	19	

**Self-funded Medical Underwriting PPO/HDHP**

Line	PPO/HDHP Line Item/Description	Fresno			Tulare			Total		
		Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
1	Paid Claims (Jun 2021 through May 2022)	\$4,365,031	\$1,193,142	\$5,558,173	\$18,194,250	\$9,377,508	\$27,571,758	\$22,559,281	\$10,570,650	\$33,129,931
2	Claim Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Plan Change Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Rx Change Adjustments (Rx Rebates)	\$0	(\$252,448)	(\$252,448)	\$0	(\$1,475,807)	(\$1,475,807)	\$0	(\$1,728,256)	(\$1,728,256)
5	Large Claim Adjustment (Pooling Level: \$450,000)	\$0	\$0	\$0	(\$138,916)	\$0	(\$138,916)	(\$138,916)	\$0	(\$138,916)
6	Adjusted Paid Claims	\$4,365,031	\$940,694	\$5,305,725	\$18,055,334	\$7,901,701	\$25,957,035	\$22,420,365	\$8,842,394	\$31,262,759
7	Beginning Reserves @ 12/31/2021	(\$295,256)	(\$71,589)	(\$366,845)	(\$1,905,848)	(\$562,650)	(\$2,468,498)	(\$2,201,104)	(\$634,239)	(\$2,835,343)
8	Ending Reserves @ 5/31/2022	\$295,256	\$71,589	\$366,845	\$1,905,848	\$562,650	\$2,468,498	\$2,201,104	\$634,239	\$2,835,343
9	<b>Incurred Claims (Jun 2021 through May 2022)</b>	<b>\$4,365,031</b>	<b>\$940,694</b>	<b>\$5,305,725</b>	<b>\$18,055,334</b>	<b>\$7,901,701</b>	<b>\$25,957,035</b>	<b>\$22,420,365</b>	<b>\$8,842,394</b>	<b>\$31,262,759</b>
10	Total Covered Employees (Apr 2021 through Mar 2022)	9,799	9,799	9,799	35,705	35,705	35,705	45,504	45,504	45,504
11	Claims Cost PEPM	\$445.46	\$96.00	\$541.46	\$505.68	\$221.31	\$726.99	\$492.71	\$194.32	\$687.03
12	Trend Factor	1.0803	1.1049	1.0847	1.0966	1.1049	1.0991	1.0934	1.1049	1.0967
13	<b>Projected Claims Cost Per Employee</b>	<b>\$481.23</b>	<b>\$106.07</b>	<b>\$587.30</b>	<b>\$554.53</b>	<b>\$244.52</b>	<b>\$799.05</b>	<b>\$538.74</b>	<b>\$214.71</b>	<b>\$753.45</b>
14	<u>Recommended Funding Margin</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>
15	<b>Adjusted Projected Claims</b>	<b>\$488.45</b>	<b>\$107.66</b>	<b>\$596.11</b>	<b>\$562.85</b>	<b>\$248.19</b>	<b>\$811.04</b>	<b>\$546.83</b>	<b>\$217.93</b>	<b>\$764.75</b>
<b>Fixed Costs PEPM</b>										
16	Specific Stop-Loss Premium PEPM (Estimate)			\$16.66			\$18.55			\$18.14
17	Aggregate Stop-Loss Premium PEPM (Estimate)			\$0.00			\$0.00			\$0.00
18	Anthem Network & Administrative Fees			\$38.00			\$38.00			\$38.00
19	All Other Program Fees			\$22.06			\$19.63			\$20.16
	<b>Total Fixed Costs</b>			<b>\$76.72</b>			<b>\$76.18</b>			<b>\$76.30</b>
20	<b>Required Premium PEPM</b>			<b>\$672.83</b>			<b>\$887.22</b>			<b>\$841.05</b>
21	<b>Current Premium PEPM</b>			<b>\$826.07</b>			<b>\$774.77</b>			<b>\$785.82</b>
22	<b>Required Increase</b>			<b>-18.55%</b>			<b>14.51%</b>			<b>7.03%</b>
23	<b>Current Subscribers (June 2021)</b>	770	770		2,849	2,849		3,619	3,619	
24	<b>Base Trend</b>	5.00%	6.50%		6.00%	6.50%		5.80%	6.50%	
25	<b>Months Trended</b>	19	19		19	19		19	19	

**Self-funded Dental Underwriting Total SJIA**

				County of Fresno	County of Tulare	SJIA
1	Paid Claims (6/1/2021 - 5/31/2022)			\$2,725,064	\$1,119,874	\$3,844,937
2	Beginning Reserve			(160,860)	(68,510)	(229,370)
3	Ending Reserve			160,860	68,510	229,370
4	Incurred Claims			\$2,725,064	\$1,119,874	\$3,844,937
5	Covered Employees			55,980	31,472	87,452
6	Incurred Claims/EE/Month			\$48.68	\$35.58	\$43.97
7	Trend Factor	5.0%		1.0803	1.0803	1.0803
8	Expected Incurred Claims (1/1/2023 - 12/31/2023)			\$52.59	\$38.44	\$47.50
9	Administration			\$3.99	\$3.99	\$3.99
10	Covid-19 Adjustment			\$0.00	\$0.00	\$0.00
11	Calculated Funding Level Without Margin			\$56.58	\$42.43	\$51.49
12	Current Average Funding Level			\$60.38	\$44.96	\$54.78
13	<b>Calculated Funding Action Without Margin = (10)/(11)</b>			<b>-6.29%</b>	<b>-5.63%</b>	<b>-6.01%</b>
14	Recommended Margin = Margin % x (8)	2.0%		\$1.05	\$0.77	\$0.95
15	Calculated Funding Level With Margin = (10)+(13)			\$57.63	\$43.20	\$52.44
16	Current Average Funding Level = (11)			\$60.38	\$44.96	\$54.78
17	<b>Calculated Funding Action With Margin = (14)/(15)</b>			<b>-4.55%</b>	<b>-3.92%</b>	<b>-4.27%</b>



**Fully-Insured Vision Underwriting Total SJVIA** - The plan is fully-insured with VSP with a two-year rate guarantee for 2022 and 2023.

		<u>County of Fresno</u>	<u>County of Tulare</u>	<u>SJVIA</u>
1	Paid Claims (6/1/2021 - 5/31/2022)	\$388,135	\$188,372	\$576,506
2	Beginning Reserve 5%	(20,259)	(9,707)	(29,966)
3	Ending Reserve 5%	19,406	9,418	28,824
4	Incurred Claims	\$387,282	\$188,083	\$575,364
5	Covered Employees	51,256	34,374	85,630
6	Incurred Claims/EE/Month	\$7.56	\$5.47	\$6.72
7	Trend Factor <span style="float: right;">3.5%</span>	1.0560	1.0560	1.0560
8	Expected Incurred Claims (1/1/2023 - 12/31/2023)	\$7.98	\$5.78	\$7.10
9	Administration	\$1.36	\$0.75	\$1.12
10	Covid-19 Adjustment	\$0.00	\$0.00	\$0.00
11	Calculated Funding Level Without Margin	\$9.34	\$6.53	\$8.22
12	Current Average Funding Level	\$10.42	\$6.00	\$8.65
13	<b>Calculated Funding Action Without Margin = (10)/(11)</b>	<b>-10.30%</b>	<b>8.96%</b>	<b>-4.93%</b>
14	Recommended Margin = Margin % x (8) <span style="float: right;">2.0%</span>	\$0.16	\$0.12	\$0.14
15	Calculated Funding Level With Margin = (10)+(13)	\$9.50	\$6.65	\$8.36
16	Current Average Funding Level = (11)	\$10.42	\$6.00	\$8.65
17	<b>Calculated Funding Action With Margin = (14)/(15)</b>	<b>-8.77%</b>	<b>10.89%</b>	<b>-3.28%</b>

## Kaiser – SJIA

County of Fresno Bi-Weekly Rates*	Lives	2022					2023				
		Kaiser Rate	Margin	SJIA Admin.	Vision	SJIA Rate	Kaiser Rate	Margin	SJIA Admin.	Vision	SJIA Rate
Subscriber Only	1,409	\$ 398.14	\$ 22.32	\$ 5.82	\$ 3.64	\$ 429.92	\$ 408.93	\$ 23.19	\$ 5.68	\$ 3.64	\$ 441.44
Subscriber & Spouse	111	\$ 714.51	\$ 52.89	\$ 5.82	\$ 6.54	\$ 779.76	\$ 733.87	\$ 54.57	\$ 5.68	\$ 6.54	\$ 800.66
Subscriber & Child(ren)	459	\$ 629.91	\$ 41.43	\$ 5.82	\$ 6.42	\$ 683.58	\$ 646.97	\$ 42.83	\$ 5.68	\$ 6.42	\$ 701.90
Subscriber & Family	114	\$ 945.50	\$ 67.16	\$ 5.82	\$ 9.39	\$ 1,027.87	\$ 968.49	\$ 71.86	\$ 5.68	\$ 9.39	\$ 1,055.42
Annual Amount	2,093	\$26,967,345	\$ 1,663,799	\$ 316,713	\$ 256,670	\$29,204,527	\$27,690,235	\$ 1,731,158	\$ 309,094	\$ 256,670	\$29,987,157
\$ Difference							\$ 722,890	\$ 67,358	\$ (7,619)	\$ -	\$ 782,630
% Difference							2.68%	4.05%	-2.41%	0.00%	2.68%
County of Tulare Monthly HMO Rates	Lives	2022					2023				
		Kaiser Rate	Margin	SJIA Admin.	Vision	SJIA Rate	Kaiser Rate	Margin	SJIA Admin.	Vision	SJIA Rate
Subscriber Only	37	\$ 904.49	\$ -	\$ 10.63	\$ -	\$ 915.12	\$ 929.05	\$ -	\$ 10.31	\$ -	\$ 939.36
Subscriber & Spouse	3	\$ 1,808.98	\$ -	\$ 10.63	\$ -	\$ 1,819.61	\$ 1,858.10	\$ -	\$ 10.31	\$ -	\$ 1,868.41
Subscriber & Child(ren)	10	\$ 1,637.12	\$ -	\$ 10.63	\$ -	\$ 1,647.75	\$ 1,681.57	\$ -	\$ 10.31	\$ -	\$ 1,691.88
Subscriber & Family	0	\$ 2,713.47	\$ -	\$ 10.63	\$ -	\$ 2,724.10	\$ 2,787.16	\$ -	\$ 10.31	\$ -	\$ 2,797.47
Annual Amount	50	\$ 1,436,871	\$ -	\$ 13,819	\$ -	\$ 1,450,690	\$ 1,475,886	\$ -	\$ 13,403	\$ -	\$ 1,489,289
\$ Difference							\$ 39,015	\$ -	\$ (416)	\$ -	\$ 38,599
% Difference							2.72%	0.00%	-3.01%	0.00%	2.66%
County of Tulare Monthly DHMO Rates	Lives	2022					2023				
		Kaiser Rate	Margin	SJIA Admin.	Vision	SJIA Rate	Kaiser Rate	Margin	SJIA Admin.	Vision	SJIA Rate
Subscriber Only	67	\$ 693.29	\$ -	\$ 10.63	\$ -	\$ 703.92	\$ 712.15	\$ -	\$ 10.31	\$ -	\$ 722.46
Subscriber & Spouse	3	\$ 1,386.58	\$ -	\$ 10.63	\$ -	\$ 1,397.21	\$ 1,424.29	\$ -	\$ 10.31	\$ -	\$ 1,434.60
Subscriber & Child(ren)	9	\$ 1,254.85	\$ -	\$ 10.63	\$ -	\$ 1,265.48	\$ 1,288.98	\$ -	\$ 10.31	\$ -	\$ 1,299.29
Subscriber & Family	3	\$ 2,079.86	\$ -	\$ 10.63	\$ -	\$ 2,090.49	\$ 2,136.45	\$ -	\$ 10.31	\$ -	\$ 2,146.76
Annual Amount	82	\$ 1,771,728	\$ -	\$ 22,663	\$ -	\$ 1,794,392	\$ 1,819,924	\$ -	\$ 21,981	\$ -	\$ 1,841,905
\$ Difference							\$ 48,196	\$ -	\$ (682)	\$ -	\$ 47,514
% Difference							2.72%	0.00%	-3.01%	0.00%	2.65%

\* Excludes adjustment for EPO/Kaiser Parity

## Kaiser Senior Advantage – SJVIA / County of Tulare

County of Tulare Kaiser Senior Advantage	Enrollment	Kaiser Rates		%
		2022	2023	Difference
Subscriber with Medicare	10	\$266.15	\$233.91	-12.11%
Subscriber with Medicare + Spouse with Medicare	<u>1</u>	<u>\$578.15</u>	<u>\$545.91</u>	<u>-5.58%</u>
Total	11	\$38,875.80	\$34,620.12	-10.95%
\$ Difference			-\$4,255.68	
% Difference				-10.95%

## Delta Dental – DHMO

<b>County of Fresno - DHMO</b>	<b>Enrollment</b>	<b>2022</b>	<b>2023</b>
Employee Only	1437	\$ 27.38	\$ 27.38
Employee + Spouse	161	\$ 47.51	\$ 47.51
Employee + Children	325	\$ 47.83	\$ 47.83
Employee + Family	86	\$ 68.95	\$ 68.95
Total	2009	\$ 821,623	\$ 821,623
\$ Difference		\$ -	\$ -
% Difference		0.00%	0.00%
<b>County of Tulare - DHMO</b>	<b>Enrollment</b>	<b>2022</b>	<b>2023</b>
Employee Only	288	\$ 27.38	\$ 27.38
Employee + Spouse	20	\$ 47.51	\$ 47.51
Employee + Children	39	\$ 47.83	\$ 47.83
Employee + Family	13	\$ 68.95	\$ 68.95
Total	360	\$ 139,168	\$ 139,168
\$ Difference		\$ -	\$ -
% Difference		0.00%	0.00%

2023 Delta Dental DHMO rates are guaranteed for 2022 and 2023.

**Vision Service Plan – VSP**

<b>County of Fresno</b>	<b>Enrollment</b>	<b>2022</b>	<b>2023</b>
Employee Only	2797	\$ 7.89	\$ 7.89
Employee + Spouse	406	\$ 14.18	\$ 14.18
Employee + Children	793	\$ 13.90	\$ 13.90
Employee + Family	277	\$ 20.35	\$ 20.35
Total	4273	\$ 533,821	\$ 533,821
\$ Difference		\$ 6,682	\$ -
% Difference		1.27%	0.00%
<b>County of Tulare</b>	<b>Enrollment</b>	<b>2022</b>	<b>2023</b>
Employee Only	2247	\$ 5.02	\$ 5.02
Employee + Spouse	208	\$ 8.47	\$ 8.47
Employee + Children	292	\$ 8.96	\$ 8.96
Employee + Family	110	\$ 13.36	\$ 13.36
Total	2857	\$ 205,531	\$ 205,531
\$ Difference		\$ 2,502	\$ -
% Difference		1.23%	0.00%

2023 VSP are guaranteed for 2022 and 2023.

## SJIA – Fixed Costs

SJIA Fixed Costs	County of Fresno		County of Tulare	
	2022	2023	2022	2023
Actual Specific Stop-Loss Premium Employee Only	\$13.79	TBD	\$13.79	TBD
Actual Specific Stop-Loss Premium Employee + Dependents	\$27.69	TBD	\$27.69	TBD
Estimated Specific PPO/HDHP Stop-Loss Premium PEPM	\$16.83	\$16.66	\$19.08	\$18.49
Estimated Specific EPO Stop-Loss Premium PEPM	\$24.19	\$21.59	N/A	N/A
Aggregate Stop-Loss Premium PEPM	N/A	N/A	N/A	N/A
PPO/HDHP Anthem Network & Admin. Fees	\$36.10	\$38.00	\$36.10	\$38.00
EPO Anthem Network & Admin. Fees	\$50.78	\$38.00	N/A	N/A
EmpiRx Administration Fee	\$3.54	\$6.00	\$3.54	\$6.00
Wellness	\$2.50	\$2.50	\$2.50	\$2.50
Claims Mgmt/Communication	\$0.50	\$0.50	\$0.50	\$0.50
Keenan Consulting Fee	\$2.88	\$2.46	\$2.88	\$2.46
Keenan Pharmacy Services Fee (EPO/PPO)	\$2.04	\$1.98	\$2.04	\$1.98
SJIA Fee	\$2.00	\$2.00	\$2.00	\$2.00
MyWorkplace - Benefits Administration	\$2.75	\$2.85	\$2.75	\$2.85
ASi - COBRA and Retiree Administration	\$2.00	\$2.00	\$0.00	\$0.00
PCORI/Transitional Reinsurance Fees PPO/HDHP	\$0.28	\$0.30	\$0.34	\$0.37
PCORI/Transitional Reinsurance Fees EPO	\$0.49	\$0.46	N/A	N/A
98.6 Rider	\$1.57	\$1.57	\$1.07	\$1.07
Disease Management				
<b>Total Fixed Cost - Self-Funded PPO Medical Plans</b>	<b>\$72.99</b>	<b>\$76.82</b>	<b>\$72.80</b>	<b>\$76.22</b>
<b>Total Fixed Cost - Self-Funded HDHP HSA Medical Plans</b>	<b>\$67.41</b>	<b>\$76.82</b>	<b>\$67.22</b>	<b>\$76.22</b>
<b>Total Fixed Cost - Self-Funded EPO Medical Plans</b>	<b>\$95.24</b>	<b>\$80.34</b>	<b>N/A</b>	<b>N/A</b>
<b>Total Fixed Cost - Kaiser</b>	<b>\$12.63</b>	<b>\$12.31</b>	<b>\$10.63</b>	<b>\$10.31</b>
<b>Total Fixed Cost - Delta Dental</b>	<b>\$4.19</b>	<b>\$4.19</b>	<b>\$4.19</b>	<b>\$4.19</b>