



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 17, 2023

ITEM NUMBER: Item 11

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

DESCRIPTION:

The Consultant's report shows that on a total cost basis from January through December 2022, the self-insured medical premium of \$81,100,311 was less than the total cost of \$86,383,235 for a deficit accumulation of (\$5,282,924), or a 106.5% loss ratio.

For the self-insured dental, the report shows that on a total cost basis, the dental premium of \$4,781,517 exceeded total cost of \$4,120,490 for an accumulation of \$661,028 or an 86.2% loss ratio.

The vision plan remains fully insured and has an accumulation of \$85,150. 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 ending 2022 position is \$1,335,591, 32.3% 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

AGENDA: San Joaquin Valley Insurance Authority

DATE: February 17, 2023

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

FISCAL IMPACT/FINANCING:

The 2022 plan year experience developed a (\$5,282,924) medical deficit and a \$661,028 dental surplus for a total self-funded deficit of (\$4,621,896). The addition of \$2,731,351 in prescription drug rebates, the Kaiser reserve of \$398,886, the Kaiser EPO parity reserve of \$400,516, and the Fresno County COVID-19 reimbursement of \$2,426,734 brings the collective total reserve accumulation to a surplus of \$1,335,591 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