

July 27, 2023

SJVIA Board Meeting: Consultant's Report 2024 Preliminary Renewal Report

Introduction

Keenan is pleased to present the SJVIA 2024 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, 2022 through May 31, 2023
- 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 20% increase in reinsurance cost
 - Please note, the stop loss market has hardened over the past year and we are using 20% to be conservative and are hopeful to finalize stop loss coverage below 20%; quotes will be solicited from the market for stop loss and staff will return at the December 2023 Board meeting with a complete analysis and recommendation
- The preliminary renewal includes the December 31, 2022 IBNR reserve level approved by the SJVIA Board at the February 18, 2023 SJVIA Board meeting; the final renewal will update the IBNR reserve with the June 30, 2022 actuarially-certified IBNR reserve calculations
- The 2024 rates include 1.0% margin for the County of Fresno and 1.0% margin for the County of Tulare; margin is available to cover adverse claim fluctuation and if unused, improves SJVIA's cash position

The preliminary renewal is presented to the SJVIA Board to provide a preview of the 2024 final renewal and 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, 2022 through June 30, 2023 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 2024 SJVIA preliminary renewal. On an overall basis, the SJVIA contract renewals have resulted in an increase of 8.15% (County of Fresno 6.75% and County of Tulare 11.60%). The following table illustrates the 2024 preliminary rate adjustments based on carrier requested renewals and standard underwriting practices:

Executive Summary	Preliminary Renewal			Comments
	COF	COT	SJVIA	
Self-Funded Medical EPO PPO / HDHP Total	5.40% -34.62% -0.08%	n/a 11.62% 11.62%	5.40% 2.47% 3.04%	The 2024 preliminary renewal rates include \$818,350 in margin (1.0%). Change in IBNR will be calculated in the final renewal when the June 30, 2022 actuarial certification of the IBNR reserve is done.
Kaiser HMO Deductible HMO	19.74% n/a	19.76% 19.80%	19.74% 19.80%	Kaiser is requesting a renewal increase of 19.74%. Kaiser's original renewal was 25%. SJVIA is one of the few entities in the state to receive rate relief. The rate relief is contingent upon Fresno County adding a HDHP plan offering. Kaiser declared that for 2024, higher increases would be realized after Kaiser realized a \$4.5 billion loss for 2022 (with \$1.3 billion being an operating loss).
Kaiser Senior Advantage Medicare	n/a	21.63%	21.635%	The 2023 Kaiser Medicare Senior Advantage rates follow the active plan with a 21.63% renewal request.
Delta Dental PPO DHMO	-5.32% 0.00%	5.67% 0.00%	-1.95% 0.00%	The 2024 preliminary renewal rate underwriting show a renewal rate decrease of 1.95%. This includes a 2.0% margin. DHMO rates held with a 0.00% 2024 renewal.
VSP	0.00%	0.00%	0.00%	The VSP rates remain unchanged with rates guaranteed from 2024 through 2026.

Executive Summary

The following chart illustrates the projected cost for 2023 and 2024, the dollar cost differential, and percentage differential based on the recommended renewal action.

County of Fresno	2023	2024	\$ Difference	% Difference
EPO	\$ 49,635,627	\$ 52,315,609	\$ 2,679,982	5.40%
PPO/HDHP	\$ 6,802,483	\$ 6,802,483	\$ -	0.00%
Total Anthem	\$ 56,438,110	\$ 59,118,092	\$ 2,679,982	4.75%
Kaiser	\$ 29,115,394	\$ 32,536,213	\$ 3,420,819	11.75%
Kaiser - KPSA	\$ -	\$ -	\$ -	0.00%
Total Medical	\$ 85,553,504	\$ 91,654,305	\$ 6,100,802	7.13%
Delta Dental PPO	\$ 3,494,587	\$ 3,494,587	\$ -	0.00%
Delta Dental DHMO	\$ 762,710	\$ 762,710	\$ -	0.00%
Total Dental	\$ 4,257,297	\$ 4,257,297	\$ -	0.00%
Vision	\$ 553,374	\$ 553,374	\$ -	0.00%
Grand Total	\$ 90,364,175	\$ 96,464,976	\$ 6,100,802	6.75%
County of Tulare	2023	2024	\$ Difference	% Difference
EPO	\$ -	\$ -	\$ -	0.00%
PPO/HDHP	\$ 31,026,140	\$ 34,631,424	\$ 3,605,284	11.62%
Total Anthem	\$ 31,026,140	\$ 34,631,424	\$ 3,605,284	11.62%
Kaiser	\$ 3,044,393	\$ 3,677,067	\$ 632,675	20.78%
Kaiser - KPSA	\$ 30,876	\$ 37,555	\$ 6,679	0.00%
Total Medical	\$ 34,070,533	\$ 38,308,491	\$ 4,237,959	12.44%
Delta Dental PPO	\$ 1,499,707	\$ 1,499,707	\$ -	0.00%
Delta Dental DHMO	\$ 762,710	\$ 762,710	\$ -	0.00%
Total Dental	\$ 2,262,417	\$ 2,262,417	\$ -	0.00%
Vision	\$ 214,464	\$ 214,464	\$ -	0.00%
Grand Total	\$ 36,547,414	\$ 40,785,372	\$ 4,237,959	11.60%
SJVIA	2023	2024	\$ Difference	% Difference
EPO	\$ 49,635,627	\$ 52,315,609	\$ 2,679,982	5.40%
PPO/HDHP	\$ 37,828,623	\$ 41,433,908	\$ 3,605,284	9.53%
Total Anthem	\$ 87,464,250	\$ 93,749,516	\$ 6,285,266	7.19%
Kaiser	\$ 32,159,786	\$ 36,213,280	\$ 4,053,494	12.60%
Kaiser - KPSA	\$ 30,876	\$ 37,555	\$ 6,679	0.00%
Total Medical	\$ 119,624,036	\$ 129,962,797	\$ 10,338,761	8.64%
Delta Dental PPO	\$ 4,994,294	\$ 4,994,294	\$ -	0.00%
Delta Dental DHMO	\$ 1,525,420	\$ 1,525,420	\$ -	0.00%
Total Dental	\$ 6,519,714	\$ 6,519,714	\$ -	0.00%
Vision	\$ 767,838	\$ 767,838	\$ -	0.00%
Grand Total	\$ 126,911,588	\$ 137,250,349	\$ 10,338,761	8.15%

Executive Summary

The 2024 plan year renewal cost adjustments for medical/prescription drug, dental, and vision by entity and SJVIA overall, are as follows:

- County of Fresno 6.75%
- County of Tulare 11.6%
- SJVIA 8.15%

The Kaiser renewal is driving a significant portion of these adjustments.

The self-funded program will utilize the most recent available twelve months of plan experience (through June 30, 2023) in the final renewal.

As Keenan prepares the final renewal, we will work with the SJVIA and each County to implement strategies to minimize increases to 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 has been eliminated
 - The County of Tulare could apply a cross-subsidy strategy from the dental PPO, thus reducing the PPO/HDHP renewal
- Given that many of the claims realized over the experience period represent run-out COVID-related claims and/or members receiving care for surgeries and non-essential services postponed during the pandemic, it is 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 for rates to normalize the 2024 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 2024 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 Line Item/Description	Fresno			Tulare			Total			
		Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total	
1	Paid Claims (Jun 2021 through May 2022)	\$32,341,540	\$14,322,518	\$46,664,058	\$19,429,511	\$10,909,599	\$30,339,110	\$51,771,051	\$25,232,117	\$77,003,168	
2	Claim Adjustments (CMC Claim Adjustment)	\$2,131,525	\$0	\$2,131,525	\$112,185	\$0	\$112,185	\$2,243,710	\$0	\$2,243,710	
3	Plan Change Adjustments (Med ARPA, RX VCAP)	(\$1,088,993)	(\$707,442)	(\$1,796,435)	(\$640,279)	(\$614,562)	(\$1,254,841)	(\$1,729,272)	(\$1,322,004)	(\$3,051,276)	
4	Rx Change Adjustments (Rx Rebates)	\$0	(\$2,267,211)	(\$2,267,211)	\$0	(\$1,732,789)	(\$1,732,789)	\$0	(\$4,000,000)	(\$4,000,000)	
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$527,684)</u>	<u>\$0</u>	<u>(\$527,684)</u>	<u>(\$16,920)</u>	<u>\$0</u>	<u>(\$16,920)</u>	<u>(\$544,604)</u>	<u>\$0</u>	<u>(\$544,604)</u>	
6	Adjusted Paid Claims	\$32,856,388	\$11,347,865	\$44,204,253	\$18,884,497	\$8,562,248	\$27,446,745	\$51,740,885	\$19,910,113	\$71,650,998	
7	Beginning Reserves @ 12/31/2022	(\$6,247,900)	(\$946,640)	(\$7,194,540)	(\$2,214,590)	(\$718,560)	(\$2,933,150)	(\$8,462,490)	(\$1,665,200)	(\$10,127,690)	
8	<u>Ending Reserves @ 12/31/2022</u>	<u>\$6,247,900</u>	<u>\$946,640</u>	<u>\$7,194,540</u>	<u>\$2,214,590</u>	<u>\$718,560</u>	<u>\$2,933,150</u>	<u>\$8,462,490</u>	<u>\$1,665,200</u>	<u>\$10,127,690</u>	
9	Incurred Claims (Jun 2021 through May 2022)	\$32,856,388	\$11,347,865	\$44,204,253	\$18,884,497	\$8,562,248	\$27,446,745	\$51,740,885	\$19,910,113	\$71,650,998	
10	Total Covered Employees (Apr 2021 through Mar 2022)	<u>47,035</u>	<u>47,035</u>	<u>47,035</u>	<u>35,948</u>	<u>35,948</u>	<u>35,948</u>	<u>82,983</u>	<u>82,983</u>	<u>82,983</u>	
11	Claims Cost PEPM	\$698.55	\$241.26	\$939.82	\$525.33	\$238.18	\$763.51	\$623.51	\$239.93	\$863.44	
12	Trend Factor	<u>1.1101</u>	<u>1.1213</u>	<u>1.1129</u>	<u>1.1131</u>	<u>1.1213</u>	<u>1.1157</u>	<u>1.1112</u>	<u>1.1213</u>	<u>1.1140</u>	
13	Projected Claims Cost Per Employee	\$775.43	\$270.53	\$1,045.96	\$584.74	\$267.08	\$851.82	\$692.83	\$269.03	\$961.86	
14	<u>Recommended Funding Margin</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	
15	Adjusted Projected Claims	\$797.29	\$278.28	\$1,075.58	\$590.59	\$269.75	\$860.34	\$699.75	\$271.72	\$971.48	
Fixed Costs PEPM											
16	Specific Stop-Loss Premium PEPM (Estimate)			\$26.47			\$24.35			\$25.55	
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>\$20.28</u>			<u>\$18.28</u>			<u>\$19.42</u>	
Total Fixed Costs				\$84.76				\$80.63			\$82.97
20	Required Premium PEPM	\$1,160.34			\$940.97			\$1,054.45			
21	Current Premium PEPM	\$1,161.24			\$843.01			\$1,023.39			
22	Required Increase	-0.08%			11.62%			3.04%			
23	Current Subscribers (June 2023)	4,023	4,023		3,067	3,067		7,090	7,090		
24	Base Trend	6.82%	7.50%		7.00%	7.50%		6.88%	7.50%		
25	Months Trended	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)	\$29,308,401	\$13,082,608	\$42,391,009				\$29,308,401	\$13,082,608	\$42,391,009
2	Claim Adjustments (CMC Claim Adjustment)	\$1,931,621	\$0	\$1,931,621				\$1,931,621	\$0	\$1,931,621
3	Plan Change Adjustments (Med ARPA, RX VCAP)	(\$986,862)	(\$646,198)	(\$1,633,060)				(\$986,862)	-\$646,198	(\$1,633,060)
4	Rx Change Adjustments (Rx Rebates)	\$0	\$ (1,847,077)	(\$1,847,077)				\$0	(\$1,847,077)	(\$1,847,077)
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$445,226)</u>	<u>\$0</u>	<u>(\$445,226)</u>				<u>(\$445,226)</u>	<u>\$0</u>	<u>(\$445,226)</u>
6	Adjusted Paid Claims	\$29,807,934	\$10,589,333	\$40,397,267				\$29,807,934	\$10,589,333	\$40,397,267
7	Beginning Reserves @ 12/31/2022	(\$5,668,213)	(\$883,363)	(\$6,551,576)				(\$5,668,213)	(\$883,363)	(\$6,551,576)
8	<u>Ending Reserves @ 12/31/2022</u>	<u>\$5,668,213</u>	<u>\$883,363</u>	<u>\$6,551,576</u>				<u>\$5,668,213</u>	<u>\$883,363</u>	<u>\$6,551,576</u>
9	Incurred Claims (Jun 2021 through May 2022)	\$29,807,934	\$10,589,333	\$40,397,267				\$29,807,934	\$10,589,333	\$40,397,267
10	Total Covered Employees (Apr 2021 through Mar 2022)	<u>38,319</u>	<u>38,319</u>	<u>38,319</u>				<u>38,319</u>	<u>38,319</u>	<u>38,319</u>
11	Claims Cost PEPM	\$777.89	\$276.35	\$1,054.24				\$777.89	\$276.35	\$1,054.24
12	Trend Factor	<u>1.1131</u>	<u>1.1213</u>	<u>1.1152</u>				<u>1.1131</u>	<u>1.1213</u>	<u>1.1152</u>
13	Projected Claims Cost Per Employee	\$865.87	\$309.87	\$1,175.74				\$865.87	\$309.87	\$1,175.74
14	<u>Recommended Funding Margin</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>				<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
15	Adjusted Projected Claims	\$891.84	\$319.16	\$1,211.01				\$891.84	\$319.16	\$1,211.01
	Fixed Costs PEPM									
16	Specific Stop-Loss Premium PEPM (Estimate)			\$27.44						\$27.44
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>\$20.29</u>						<u>\$20.29</u>
	Total Fixed Costs			\$85.73						\$85.73
20	Required Premium PEPM			\$1,296.74						\$1,296.74
21	Current Premium PEPM			\$1,230.31						\$1,230.31
22	Required Increase			5.40%						5.40%
23	Current Subscribers (June 2023)	3,362	3,362					3,362	3,362	
24	Base Trend	7.00%	7.50%					7.00%	7.50%	
25	Months Trended	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)	\$3,033,139	\$1,239,910	\$4,273,049	\$19,429,511	\$10,909,599	\$30,339,110	\$22,462,650	\$12,149,509	\$34,612,159
2	Claim Adjustments (CMC Claim Adjustment)	\$199,904	\$0	\$199,904	\$112,185	\$0	\$112,185	\$312,089	\$0	\$312,089
3	Plan Change Adjustments (Med ARPA, RX VCAP)	(\$102,131)	(\$61,244)	(\$163,375)	(\$640,279)	(\$614,562)	(\$1,254,841)	(\$742,410)	(\$675,806)	(\$1,418,216)
4	Rx Change Adjustments (Rx Rebates)	\$0	\$ (420,134)	(\$420,134)	\$0	(\$1,732,789)	(\$1,732,789)	\$0	(\$2,152,923)	(\$2,152,923)
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$82,458)</u>	<u>\$0</u>	<u>(\$82,458)</u>	<u>(\$16,920)</u>	<u>\$0</u>	<u>(\$16,920)</u>	<u>(\$99,378)</u>	<u>\$0</u>	<u>(\$99,378)</u>
6	Adjusted Paid Claims	\$3,048,454	\$758,532	\$3,806,986	\$18,884,497	\$8,562,248	\$27,446,745	\$21,932,951	\$9,320,780	\$31,253,731
7	Beginning Reserves @ 12/31/2022	(\$579,687)	(\$63,277)	(\$642,964)	(\$2,214,590)	(\$718,560)	(\$2,933,150)	(\$2,794,277)	(\$781,837)	(\$3,576,114)
8	Ending Reserves @ 12/31/2022	<u>\$579,687</u>	<u>\$63,277</u>	<u>\$642,964</u>	<u>\$2,214,590</u>	<u>\$718,560</u>	<u>\$2,933,150</u>	<u>\$2,794,277</u>	<u>\$781,837</u>	<u>\$3,576,114</u>
9	Incurred Claims (Jun 2021 through May 2022)	\$3,048,454	\$758,532	\$3,806,986	\$18,884,497	\$8,562,248	\$27,446,745	\$21,932,951	\$9,320,780	\$31,253,731
10	Total Covered Employees (Apr 2021 through Mar 2022)	<u>8,716</u>	<u>8,716</u>	<u>8,716</u>	<u>35,948</u>	<u>35,948</u>	<u>35,948</u>	<u>44,664</u>	<u>44,664</u>	<u>44,664</u>
11	Claims Cost PEPM	\$349.75	\$87.03	\$436.78	\$525.33	\$238.18	\$763.51	\$491.07	\$208.69	\$699.75
12	Trend Factor	<u>1.0803</u>	<u>1.1213</u>	<u>1.0885</u>	<u>1.1131</u>	<u>1.1213</u>	<u>1.1157</u>	<u>1.1085</u>	<u>1.1213</u>	<u>1.1123</u>
13	Projected Claims Cost Per Employee	\$377.84	\$97.58	\$475.42	\$584.74	\$267.08	\$851.82	\$544.37	\$234.00	\$778.37
14	<u>Recommended Funding Margin</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>
15	Adjusted Projected Claims	\$381.62	\$98.56	\$480.18	\$590.59	\$269.75	\$860.34	\$549.81	\$236.34	\$786.15
Fixed Costs PEPM										
16	Specific Stop-Loss Premium PEPM (Estimate)			\$22.24			\$24.35			\$23.94
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>\$20.24</u>			<u>\$18.28</u>			<u>\$18.66</u>
	Total Fixed Costs			\$80.48			\$80.63			\$80.60
20	Required Premium PEPM			\$560.66			\$940.97			\$866.75
21	Current Premium PEPM			\$857.60			\$843.01			\$845.86
22	Required Increase			-34.62%			11.62%			2.47%
23	Current Subscribers (June 2023)	661	661		3,067	3,067		3,728	3,728	
24	Base Trend	5.00%	7.50%		7.00%	7.50%		6.72%	7.50%	
25	Months Trended	19	19		19	19		19	19	

Self-funded Dental Underwriting Total SJVIA

		County of Fresno	County of Tulare	SJVIA
1	Paid Claims (6/1/2022 - 5/31/2023)	\$2,654,653	\$1,152,634	\$3,807,286
2	Beginning Reserve	(167,970)	68,160	(99,810)
3	Ending Reserve	167,970	(68,160)	99,810
4	Incurred Claims	\$2,654,653	\$1,152,634	\$3,807,286
5	Covered Employees	56,233	32,318	88,551
6	Incurred Claims/EE/Month	\$47.21	\$35.67	\$43.00
7	Trend Factor	1.0803	1.0803	1.0803
		5.0%		
8	Expected Incurred Claims (1/1/2024 - 12/31/2024)	\$51.00	\$38.53	\$46.45
9	Administration	\$4.40	\$4.40	\$4.40
10	Plan Adjustments	\$0.00	\$0.00	\$0.00
11	Calculated Funding Level Without Margin	\$55.40	\$42.93	\$50.85
12	Current Average Funding Level	\$59.59	\$45.47	\$54.43
13	Calculated Funding Action Without Margin = (10)/(11)	-7.03%	-5.59%	-6.58%
14	Recommended Margin = Margin % x (8)	\$1.02	\$0.77	\$0.93
		2.0%		
15	Calculated Funding Level With Margin = (10)+(13)	\$56.42	\$43.70	\$51.78
16	Current Average Funding Level = (11)	\$59.59	\$45.47	\$54.43
17	Calculated Funding Action With Margin = (14)/(15)	-5.32%	-3.90%	-4.87%

Note: Tulare County plan design changes: \$1,500 Plan Max. +5.67%, \$2,000 Plan Max. +12.34%

Fully Insured Vision Underwriting Total SJVIA - The plans are fully insured with VSP with a two-year rate guarantee for 2024 - 2025.

		<u>County of Fresno</u>	<u>County of Tulare</u>	<u>SJVIA</u>
1	Paid Claims (6/1/2021 - 5/31/2022)	\$366,156	\$201,231	\$567,387
2	Beginning Reserve 5%	(19,407)	(9,419)	(28,825)
3	Ending Reserve 5%	18,308	10,062	28,369
4	Incurred Claims	\$365,057	\$201,874	\$566,931
5	Covered Employees	51,798	34,824	86,622
6	Incurred Claims/EE/Month	\$7.05	\$5.80	\$6.54
7	Trend Factor 3.5%	1.0560	1.0560	1.0560
8	Expected Incurred Claims (1/1/2024 - 12/31/2024)	\$7.44	\$6.12	\$6.91
9	Administration	\$1.36	\$1.36	\$1.36
10	Plan Adjustments	\$0.00	\$0.00	\$0.00
11	Calculated Funding Level Without Margin	\$8.80	\$7.48	\$8.27
12	Current Average Funding Level	\$10.37	\$6.05	\$8.63
13	Calculated Funding Action Without Margin = (10)/(11)	-15.15%	23.69%	-4.21%
14	Recommended Margin = Margin % x (8) 2.0%	\$0.15	\$0.12	\$0.14
15	Calculated Funding Level With Margin = (10)+(13)	\$8.95	\$7.60	\$8.41
16	Current Average Funding Level = (11)	\$10.37	\$6.05	\$8.63
17	Calculated Funding Action With Margin = (14)/(15)	-13.72%	25.72%	-2.61%

EPO Renewal

Total PEPM Cost	EPO 0	EPO 500	EPO 1000	Total
Premium	\$ 1,268.67	\$ 1,099.99	\$ 1,053.17	\$ 1,228.92
Paid Claims				
Medical	\$ 942.33	\$ 417.21	\$ 325.81	\$ 826.39
RX	\$ 381.53	\$ 243.91	\$ 114.97	\$ 336.08
Total	\$ 1,323.86	\$ 661.11	\$ 440.78	\$ 1,162.48
Fixed Cost	\$ 100.39	\$ 100.39	\$ 100.39	\$ 100.39
Total Cost	\$ 1,424.25	\$ 761.50	\$ 541.17	\$ 1,262.87
Loss Ratio	112.3%	69.2%	51.4%	102.8%
2024 Renewal				
Enrollment	2,528	208	626	3,362
Renewal %	9.0%	0.0%	0.0%	5.4%
Annual Premium	\$ 41,599,515	\$ 2,745,575	\$ 7,911,413	\$ 52,256,503
PEPM Premium	\$ 1,371.29	\$ 1,099.99	\$ 1,053.17	\$ 1,295.27

Recommendation:

EPO 0 +9.0%

EPO 500 +0.0%

EPO 1000 +0.0%

Kaiser – SJVIA

County of Fresno Bi-Weekly Rates*	Lives	2023 (with EPO Parity)					2024 (without EPO Parity)				
		Kaiser Rate	Margin	SJVIA Admin.	Vision	SJVIA Rate	Kaiser Rate	Margin	SJVIA Admin.	Vision	SJVIA Rate
Subscriber Only	1,370	\$ 408.93	\$ 30.60	\$ 5.62	\$ 3.64	\$ 448.79	\$ 489.67	\$ 4.90	\$ 5.69	\$ 3.64	\$ 503.90
Subscriber & Spouse	94	\$ 733.87	\$ 67.95	\$ 5.62	\$ 6.54	\$ 813.98	\$ 878.78	\$ 8.79	\$ 5.69	\$ 6.54	\$ 899.80
Subscriber & Child(ren)	417	\$ 646.97	\$ 54.57	\$ 5.62	\$ 6.42	\$ 713.58	\$ 774.72	\$ 7.75	\$ 5.69	\$ 6.42	\$ 794.58
Subscriber & Family	122	\$ 971.13	\$ 86.84	\$ 5.62	\$ 9.39	\$ 1,072.98	\$ 1,162.87	\$ 11.63	\$ 5.69	\$ 9.39	\$ 1,189.58
Annual Amount	2,003	\$26,454,538	\$ 2,123,146	\$ 292,678	\$ 245,031	\$29,115,394	\$31,677,922	\$ 316,937	\$ 296,324	\$ 245,031	\$32,536,213
\$ Difference		\$ 697,919	\$ 536,629	\$ (10,416)	\$ -	\$ 1,224,132	\$ 5,223,384	\$(1,806,210)	\$ 3,645	\$ -	\$ 3,420,819
% Difference		2.71%	33.82%	-3.44%	0.00%	4.39%	19.74%	-85.07%	1.25%	0.00%	11.75%
County of Tulare Monthly HMO Rates	Lives	2023					2024				
		Kaiser Rate	Margin	SJVIA Admin.	Vision	SJVIA Rate	Kaiser Rate	Margin	SJVIA Admin.	Vision	SJVIA Rate
Subscriber Only	52	\$ 929.05	\$ -	\$ 10.18	\$ -	\$ 939.23	\$ 1,112.59	\$ 11.13	\$ 10.32	\$ -	\$ 1,134.04
Subscriber & Spouse	6	\$ 1,858.10	\$ -	\$ 10.18	\$ -	\$ 1,868.28	\$ 2,225.18	\$ 22.25	\$ 10.32	\$ -	\$ 2,257.75
Subscriber & Child(ren)	7	\$ 1,681.57	\$ -	\$ 10.18	\$ -	\$ 1,691.75	\$ 2,013.78	\$ 20.14	\$ 10.32	\$ -	\$ 2,044.24
Subscriber & Family	3	\$ 2,787.16	\$ -	\$ 10.18	\$ -	\$ 2,797.34	\$ 3,337.78	\$ 33.38	\$ 10.32	\$ -	\$ 3,381.48
Annual Amount	68	\$ 2,069,383	\$ -	\$ 17,998	\$ -	\$ 2,087,382	\$ 2,478,205	\$ 24,788	\$ 18,246	\$ -	\$ 2,521,238
\$ Difference		\$ 54,706	\$ -	\$ (796)	\$ -	\$ 53,910	\$ 408,821	\$ 24,788	\$ 248	\$ -	\$ 433,857
% Difference		2.72%	0.00%	-4.23%	0.00%	2.65%	19.76%	0.00%	1.38%	0.00%	20.78%
County of Tulare Monthly DHMO Rates	Lives	2023					2024				
		Kaiser Rate	Margin	SJVIA Admin.	Vision	SJVIA Rate	Kaiser Rate	Margin	SJVIA Admin.	Vision	SJVIA Rate
Subscriber Only	29	\$ 712.15	\$ -	\$ 10.18	\$ -	\$ 722.33	\$ 853.15	\$ 8.53	\$ 10.32	\$ -	\$ 872.00
Subscriber & Spouse	2	\$ 1,424.29	\$ -	\$ 10.18	\$ -	\$ 1,434.47	\$ 1,706.30	\$ 17.06	\$ 10.32	\$ -	\$ 1,733.68
Subscriber & Child(ren)	10	\$ 1,288.98	\$ -	\$ 10.18	\$ -	\$ 1,299.16	\$ 1,544.20	\$ 15.44	\$ 10.32	\$ -	\$ 1,569.96
Subscriber & Family	0	\$ 2,136.45	\$ -	\$ 10.18	\$ -	\$ 2,146.63	\$ 2,559.46	\$ 25.59	\$ 10.32	\$ -	\$ 2,595.37
Annual Amount	41	\$ 946,159	\$ -	\$ 10,852	\$ -	\$ 957,011	\$ 1,133,495	\$ 11,333	\$ 11,001	\$ -	\$ 1,155,829
\$ Difference		\$ 25,055	\$ -	\$ (480)	\$ -	\$ 24,575	\$ 187,336	\$ 11,333	\$ 149	\$ -	\$ 198,818
% Difference		2.72%	0.00%	-4.23%	0.00%	2.64%	19.80%	0.00%	1.38%	0.00%	20.77%

Kaiser Senior Advantage – County of Tulare

County of Tulare Kaiser Senior Advantage	Enrollment	Kaiser KPSA Rates	
		2023	2024
Subscriber with Medicare	9	\$233.91	\$284.51
Subscriber with Medicare + Spouse with Medicare	<u>1</u>	<u>\$467.82</u>	<u>\$569.02</u>
Total	10	\$30,876.12	\$37,555.32
\$ Difference			\$6,679.20
% Difference			21.63%

Delta Dental – Self-Funded PPO

COF - Dental PPO	Enrollment	2023	2024
Employee Only	3165	\$ 50.29	\$ 50.29
Employee + Spouse	392	\$ 80.19	\$ 80.19
Employee + Children	904	\$ 69.88	\$ 69.88
Employee + Family	365	\$ 102.58	\$ 102.58
Total	4826	\$ 3,494,587	\$ 3,494,587
\$ Difference		\$ -	\$ -
% Difference		0.00%	0.00%
COT - Dental PPO	Enrollment	2023	2024
Employee Only	2126	\$ 36.64	\$ 36.64
Employee + Spouse	200	\$ 63.51	\$ 63.51
Employee + Children	301	\$ 71.97	\$ 71.97
Employee + Family	119	\$ 106.84	\$ 106.84
Total	2746	\$ 1,499,707	\$ 1,499,707
\$ Difference		\$ -	\$ -
% Difference		0.00%	0.00%

Delta Dental – Fully Insured DHMO

County of Fresno - DHMO	Enrollment	2023	2024
Employee Only	1418	\$ 27.38	\$ 27.38
Employee + Spouse	130	\$ 47.51	\$ 47.51
Employee + Children	277	\$ 47.83	\$ 47.83
Employee + Family	77	\$ 68.95	\$ 68.95
Total	1902	\$ 762,710	\$ 762,710
\$ Difference		\$ -	\$ -
% Difference		0.00%	0.00%
County of Tulare - DHMO	Enrollment	2023	2024
Employee Only	237	\$ 27.38	\$ 27.38
Employee + Spouse	23	\$ 47.51	\$ 47.51
Employee + Children	11	\$ 47.83	\$ 47.83
Employee + Family	39	\$ 68.95	\$ 68.95
Total	310	\$ 129,564	\$ 129,564
\$ Difference		\$ -	\$ -
% Difference		0.00%	0.00%

2023 Delta Dental DHMO rates are guaranteed for 2024 and 2025.

Vision Service Plan – VSP

County of Fresno	Enrollment	2023	2024
Employee Only	3012	\$ 7.89	\$ 7.89
Employee + Spouse	368	\$ 14.18	\$ 14.18
Employee + Children	764	\$ 13.90	\$ 13.90
Employee + Family	320	\$ 20.35	\$ 20.35
Total	4464	\$ 553,374	\$ 553,374
\$ Difference		\$ -	\$ -
% Difference		0.00%	0.00%
County of Tulare	Enrollment	2023	2024
Employee Only	2283	\$ 5.02	\$ 5.02
Employee + Spouse	216	\$ 8.47	\$ 8.47
Employee + Children	322	\$ 8.96	\$ 8.96
Employee + Family	127	\$ 13.36	\$ 13.36
Total	2948	\$ 214,464	\$ 214,464
\$ Difference		\$ -	\$ -
% Difference		0.00%	0.00%

2024 VSP rates are guaranteed for 2024 and 2025.

Fully Insured Vision Plan Options offered by VSP for SJVIA

COUNTY OF FRESNO • Fully Insured • 24 Months • 1/1/24 – 12/31/25 • Commissions = Net	Renewal With No Changes	<input type="checkbox"/>	\$7.89 / \$14.18 / \$13.90 / \$20.35
	Renewal With Options to Enhance		
	\$180 Frame	<input type="checkbox"/>	\$8.16 / \$14.66 / \$14.38 / \$21.05
	\$180 Contacts	<input type="checkbox"/>	\$8.12 / \$14.59 / \$14.30 / \$20.93
	Anti-Reflective (\$0 copay)	<input type="checkbox"/>	\$9.94 / \$17.87 / \$17.51 / \$25.64
	Anti-Reflective (\$30 copay)	<input type="checkbox"/>	\$9.15 / \$16.45 / \$16.12 / \$23.61
	UV Protection	<input type="checkbox"/>	\$8.05 / \$14.46 / \$14.18 / \$20.76
	LightCare™	<input type="checkbox"/>	\$8.13 / \$14.61 / \$14.32 / \$20.96

COUNTY OF TULARE • Fully Insured • 24 Months • 1/1/24 – 12/31/25 • Commissions = Net	Renewal With No Changes	<input type="checkbox"/>	\$5.02 / \$8.47 / \$8.96 / \$13.36
	Renewal With Options to Enhance		
	\$150 Frame	<input type="checkbox"/>	\$5.12 / \$8.64 / \$9.14 / \$13.63
	\$130 Contacts	<input type="checkbox"/>	\$5.07 / \$8.55 / \$9.05 / \$13.49
	Anti-Reflective (\$0 copay)	<input type="checkbox"/>	\$6.33 / \$10.67 / \$11.29 / \$16.83
	Anti-Reflective (\$30 copay)	<input type="checkbox"/>	\$5.82 / \$9.83 / \$10.39 / \$15.50
	UV Protection	<input type="checkbox"/>	\$5.12 / \$8.64 / \$9.14 / \$13.63
	LightCare™	<input type="checkbox"/>	\$5.17 / \$8.72 / \$9.23 / \$13.78

SJVIA – Fixed Costs

SJVIA Fixed Costs	County of Fresno		County of Tulare	
	2023	2024	2023	2024
Actual Specific Stop-Loss Premium Employee Only	\$16.52	TBD	\$16.52	TBD
Actual Specific Stop-Loss Premium Employee + Dependents	\$33.17	TBD	\$33.17	TBD
Estimated Specific PPO/HDHP Stop-Loss Premium PEPM	\$16.64	\$22.24	\$18.45	\$24.35
Estimated Specific EPO Stop-Loss Premium PEPM	\$21.60	\$27.44	N/A	N/A
Aggregate Stop-Loss Premium PEPM	N/A	N/A	N/A	N/A
PPO/HDHP Anthem Network & Admin. Fees	\$38.00	\$38.00	\$38.00	\$38.00
EPO Anthem Network & Admin. Fees	\$38.00	\$38.00	N/A	N/A
EmpiRx Administration Fee	\$3.35	\$4.50	\$3.35	\$4.50
Wellness	\$2.50	\$2.50	\$2.50	\$2.50
Claims Mgmt/Communication	\$0.50	\$0.50	\$0.50	\$0.50
Keenan Consulting Fee	\$2.43	\$2.42	\$2.43	\$2.42
Keenan Pharmacy Services Fee (EPO/PPO)	\$1.92	\$1.34	\$1.92	\$1.34
SJVIA Fee	\$2.00	\$2.00	\$2.00	\$2.00
MyWorkplace - Benefits Administration	\$2.75	\$2.90	\$2.75	\$2.90
Navia - COBRA and Retiree Administration	\$2.00	\$2.00	\$0.00	\$0.00
PCORI/Transitional Reinsurance Fees PPO/HDHP	\$0.30	\$0.34	\$0.36	\$0.38
PCORI/Transitional Reinsurance Fees EPO	\$0.45	\$0.40	N/A	N/A
98.6 Rider	\$1.65	\$1.74	\$1.39	\$1.74
Total Fixed Cost - Self-Funded PPO Medical Plans	\$74.04	\$80.48	\$73.65	\$80.63
Total Fixed Cost - Self-Funded HDHP HSA Medical Plans	\$74.04	\$80.48	\$73.65	\$80.63
Total Fixed Cost - Self-Funded EPO Medical Plans	\$79.15	\$85.74	N/A	N/A
Total Fixed Cost - Kaiser	\$12.18	\$12.32	\$10.18	\$10.32
Total Fixed Cost - Delta Dental	\$4.19	\$4.40	\$4.19	\$4.40