

July 27, 2023

SJVIA Board Meeting: Consultant's Report 2023 Plan Experience (Medical, Dental, and Vision) through May 2023

The following pages provide a summary of the plan experience from January 1 through May 31, 2023 for the self-funded medical and dental plans, as well as the fully insured vision plan (Kaiser and Delta Dental DHMO experience is not available).

Please note that claims incurred from January 1, 2023 through May 31, 2023 at Community Medical Center (CMC) are being held by Anthem and have not been paid. These claims will be paid once the SJVIA direct network contract with CMC has been implemented or possibly a network discount agreement has been reached between Anthem and CMC. For purposes of this report, Keenan has estimated the paid claims and current discounts. Please see the following chart:

CMC Billed Charge Adjustment	5 Month Total	Monthly Avg
CMC Billed Charges (01.01 - 06.02)	\$ 6,556,726	
Anthem Network Discount Paid	65.8%	
Claims Estimate	\$ 2,243,712	\$ 448,742
95% Fresno County	\$ 2,131,525	\$ 426,305
05% Tulare County	\$ 112,186	\$ 22,437

The monthly average paid claims (\$448,742) will be added for January through May; these amounts will be removed once actual claims are processed.

The SJVIA self-funded plans show a net surplus position of \$2,780,648 through May 2023. The County of Fresno has a \$3,258,545 surplus position and the County of Tulare has a (\$477,897) deficit position prior to adjustments for the Kaiser margin and parity, prescription drug rebates, and other adjustments.

Accumulation	COF	COT	Total
Medical	\$ 5,206,396	\$ (415,931)	\$ 4,790,465
CMC Claims	\$ (2,131,525)	\$ (112,185)	\$ (2,243,710)
Net Medical	\$ 3,074,871	\$ (528,116)	\$ 2,546,755
Dental	\$ 183,674	\$ 50,219	\$ 233,893
Total	\$ 3,258,545	\$ (477,897)	\$ 2,780,648
Vision (Insure)	\$ 36,474	\$ (10,824)	\$ 25,650
Loss Ratio			
Medical	87.0%	104.1%	93.0%
Dental	87.1%	92.0%	88.6%
Vision	84.0%	112.1%	91.9%

The County of Tulare reduced its margin to 0.0% for 2022 and 2023. The County of Fresno has maintained a 1.5% for 2022 and 2023. These levels will be reconsidered for the 2024 renewal.

The Anthem self-funded medical plans show a net accumulated surplus position of \$2,546,755 for a 93.0% total cost loss ratio.

The Delta Dental self-funded dental plan shows an accumulated surplus position of \$233,892 for an 88.6% total cost loss ratio.

The vision plan remains fully insured and shows an accumulated position of \$25,650 for a 91.9% total cost loss ratio. Under the fully insured arrangement all deficit or surplus positions remain with the carrier. SJVIA may want to consider going to a self-funded arrangement for 2024.

Fresno County continues its cross-subsidy strategy between the EPO, PPO, and High Deductible Health Plans (HDHP). Additionally, Fresno County has an EPO/Kaiser parity strategy setting the EPO and Kaiser rates equivalent.

The County of Tulare had greater than expected claim costs in 2022 driven by large claims. For the first five months of 2023, Tulare County's claim run has softened to an accumulated medical deficit position of (\$528,116).

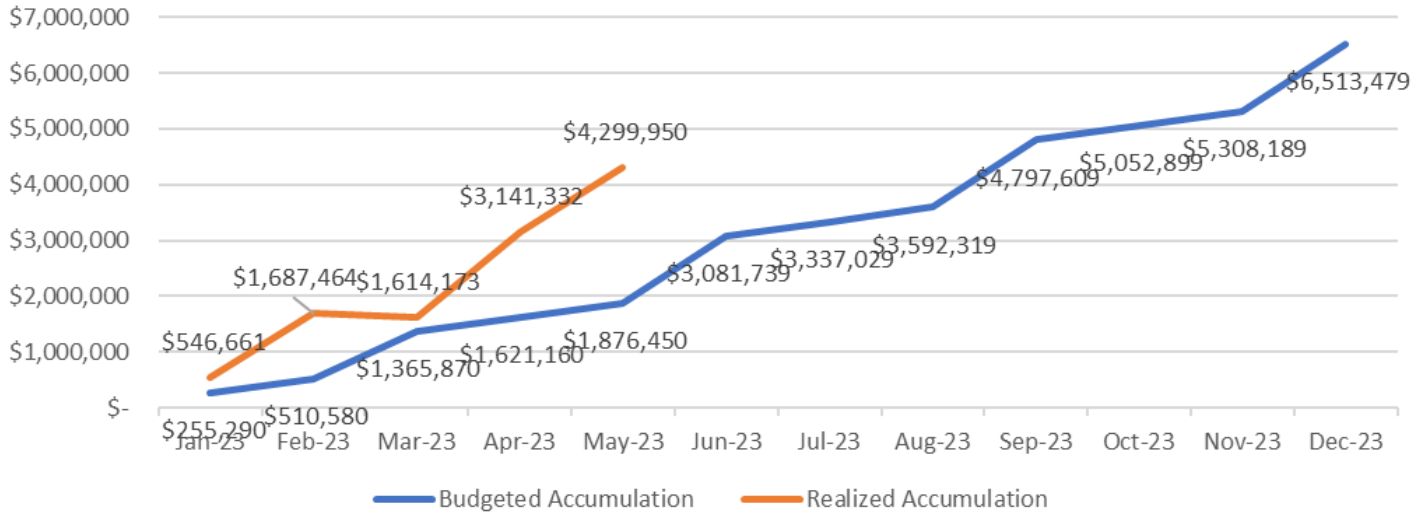
Keenan projects prescription drug rebates of \$3,450,000 for 2023. A rebate in the amount of \$532,281 was received and posted in April 2023.

For 2023, Fresno County budgeted the Kaiser margin and EPO Parity margin at \$2,197,502. Over the first five months, the SJVIA has realized \$987,021 (44.9% of the annual target).

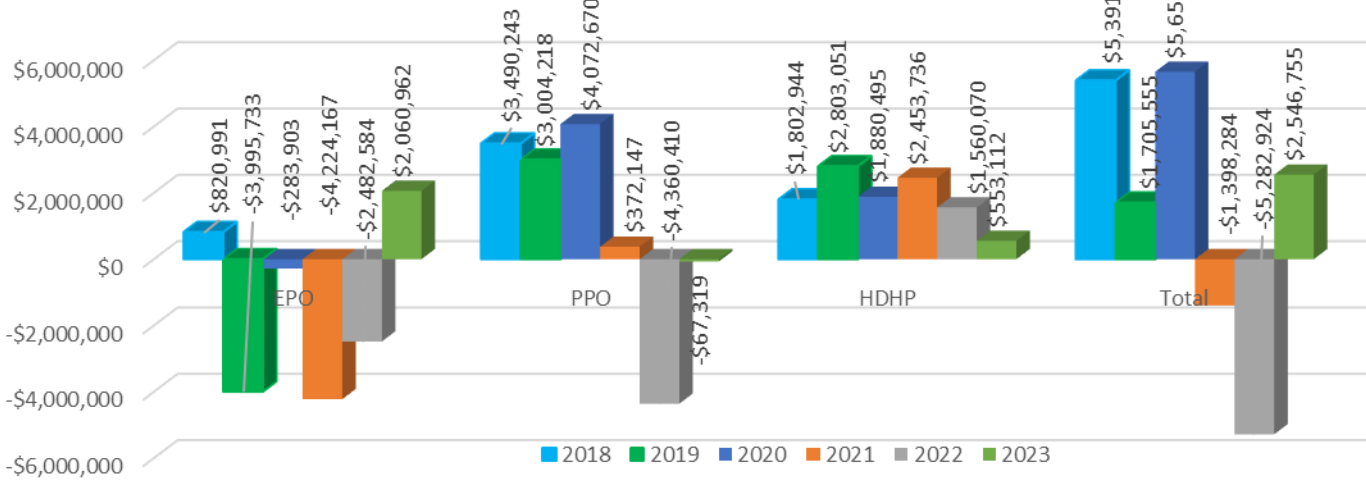
Over the first five months of 2023, the SJVIA has accumulated \$4,299,950 in margin (66.0% of the \$6,513,479 annual budget), well ahead of the 41.7% that was projected.

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

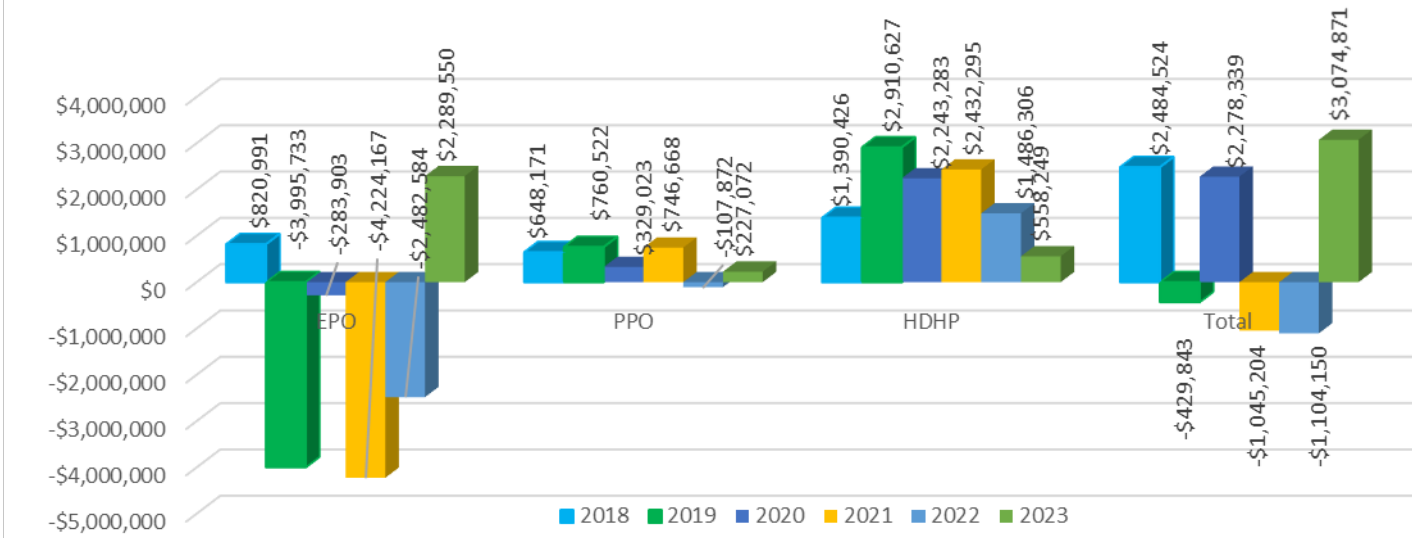
Accumulation Comparison



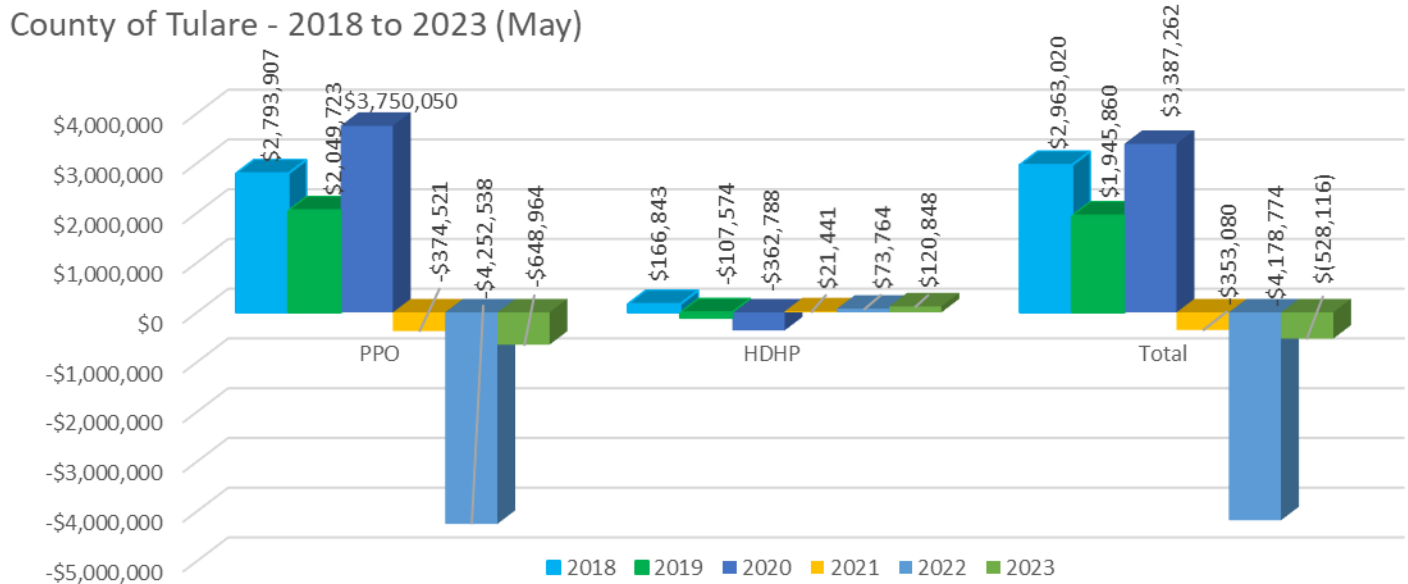
SJVIA - 2018 to 2023 (May)

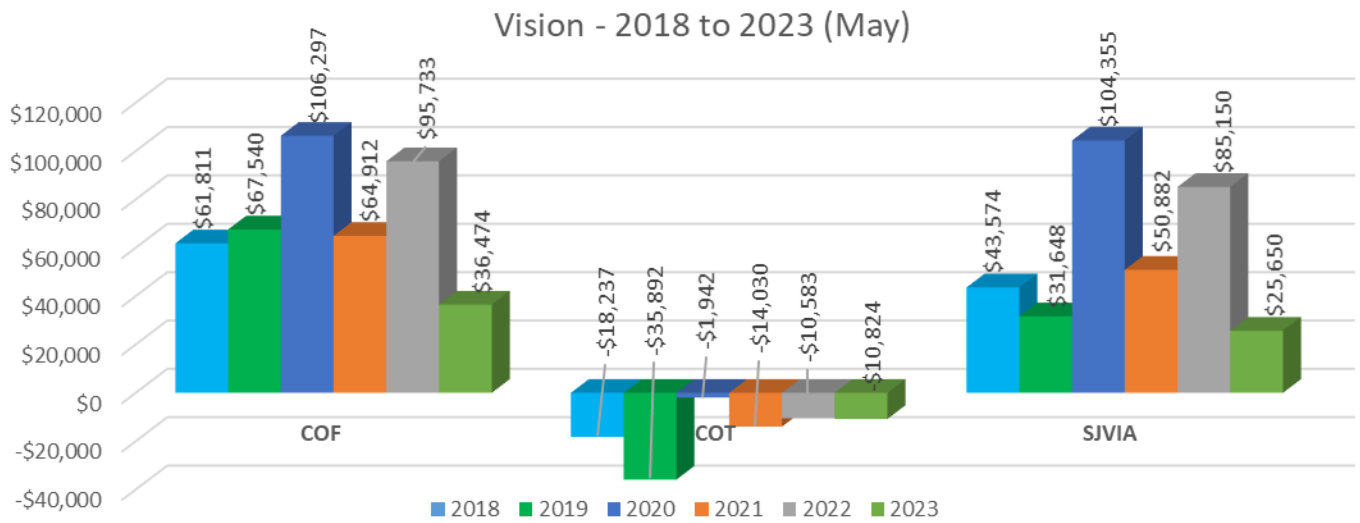
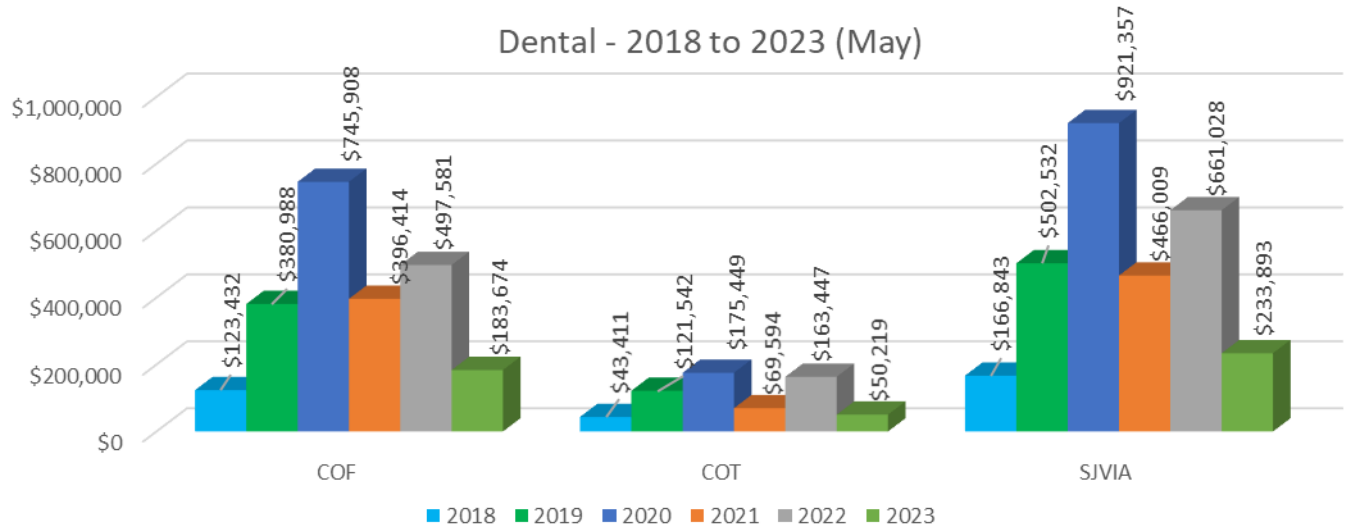


County of Fresno - 2018 to 2023 (May)



County of Tulare - 2018 to 2023 (May)





In the Budget vs Calculated Accumulation Report, Keenan reported a recovery of ARPA funds for Fresno County of \$2,426,734. This was posted for December 2022, in the February 2023 Experience Report. Since then, Keenan has learned that the funds have not yet been received; however the funds are expected to post in the near future. Therefore, Keenan has removed the December 2022 entry, thus restating the accumulated position from a surplus position of \$1,335,591 to a deficit position of (\$1,091,143).

Budget vs. Calculated Accumulation													
2021	January	February	March	April	May	June	July	August	September	October	November	December	Total
Budget													
Plan Experience (Medical)	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 2,761,249
Plan Experience (Dental)	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 72,913
Kaiser Accumulation	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 811,898
Kaiser EPO Parity Accumulation	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 3,175,390
Prescription Drug Rebates	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ 2,000,000
2021 Budgeted Accumulation	\$ 568,454	\$ 568,454	\$ 1,068,454	\$ 568,454	\$ 568,454	\$ 1,068,454	\$ 568,454	\$ 568,454	\$ 1,068,454	\$ 568,454	\$ 568,454	\$ 1,068,454	\$ 8,821,449
Calculated													
Plan Experience (Medical)	\$ 1,353,029	\$ 1,298,026	\$ 279,275	\$ (485,754)	\$ (331,137)	\$ (461,172)	\$ (1,373)	\$ (322,615)	\$ (306,160)	\$ (1,214,629)	\$ 223,704	\$ (1,429,478)	\$ (1,398,284)
Plan Experience (Dental)	\$ 64,691	\$ 26,113	\$ (1,592)	\$ (35,574)	\$ 37,376	\$ 94,161	\$ (1,159)	\$ 66,369	\$ 9,334	\$ 77,344	\$ 83,324	\$ 45,621	\$ 466,009
Kaiser Accumulation	\$ 66,307	\$ 66,453	\$ 66,255	\$ 66,166	\$ 65,959	\$ 66,167	\$ 65,943	\$ 65,952	\$ 65,688	\$ 65,449	\$ 64,245	\$ 64,081	\$ 788,665
Kaiser EPO Parity Accumulation	\$ 207,743	\$ 208,215	\$ 207,587	\$ 207,287	\$ 206,687	\$ 207,226	\$ 206,410	\$ 206,384	\$ 205,598	\$ 204,873	\$ 201,003	\$ 200,492	\$ 2,469,507
Prescription Drug Rebates	\$ -	\$ -	\$ -	\$ -	\$ 751,762	\$ 645,084	\$ -	\$ -	\$ 633,828	\$ -	\$ -	\$ -	\$ 2,725,566
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021 Calculated Accumulation	\$ 1,691,771	\$ 1,598,807	\$ 551,526	\$ (247,875)	\$ 730,647	\$ 551,466	\$ 269,821	\$ 16,090	\$ 608,289	\$ (866,963)	\$ 572,276	\$ (424,392)	\$ 5,051,462
2022	January	February	March	April	May	June	July	August	September	October	November	December	Total
Budget													
Plan Experience (Medical)	\$ 62,242	\$ 62,242	\$ 62,242	\$ 62,242	\$ 62,242	\$ 62,242	\$ 62,242	\$ 62,242	\$ 62,242	\$ 62,242	\$ 62,242	\$ 62,242	\$ 746,903
Plan Experience (Dental)	\$ 5,584	\$ 5,584	\$ 5,584	\$ 5,584	\$ 5,584	\$ 5,584	\$ 5,584	\$ 5,584	\$ 5,584	\$ 5,584	\$ 5,584	\$ 5,584	\$ 67,005
Kaiser Accumulation	\$ 38,565	\$ 38,565	\$ 38,565	\$ 38,565	\$ 38,565	\$ 38,565	\$ 38,565	\$ 38,565	\$ 38,565	\$ 38,565	\$ 38,565	\$ 38,565	\$ 462,781
Kaiser EPO Parity Accumulation	\$ 38,249	\$ 38,249	\$ 38,249	\$ 38,249	\$ 38,249	\$ 38,249	\$ 38,249	\$ 38,249	\$ 38,249	\$ 38,249	\$ 38,249	\$ 38,249	\$ 458,983
Prescription Drug Rebates	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ 2,400,000
2022 Budgeted Accumulation	\$ 144,639	\$ 144,639	\$ 744,639	\$ 144,639	\$ 144,639	\$ 744,639	\$ 144,639	\$ 144,639	\$ 744,639	\$ 144,639	\$ 144,639	\$ 744,639	\$ 4,135,672
Calculated													
Plan Experience (Medical)	\$ 416,646	\$ (707,755)	\$ 334,315	\$ (579,163)	\$ (111,439)	\$ (76,438)	\$ (125,469)	\$ (2,224,386)	\$ 257,541	\$ (781,002)	\$ (907,033)	\$ (778,741)	\$ (5,282,924)
Plan Experience (Dental)	\$ 115,834	\$ 64,486	\$ (58,680)	\$ 46,312	\$ 40,850	\$ 13,054	\$ 107,262	\$ 76,505	\$ 23,023	\$ 82,402	\$ 88,343	\$ 61,637	\$ 661,028
Kaiser Accumulation	\$ 34,185	\$ 33,794	\$ 33,676	\$ 33,547	\$ 33,454	\$ 33,279	\$ 33,080	\$ 32,987	\$ 33,071	\$ 32,712	\$ 32,711	\$ 32,388	\$ 398,886
Kaiser EPO Parity Accumulation	\$ 34,429	\$ 34,110	\$ 34,004	\$ 33,848	\$ 33,684	\$ 33,536	\$ 33,169	\$ 33,011	\$ 33,202	\$ 32,507	\$ 32,768	\$ 32,249	\$ 400,516
Prescription Drug Rebates	\$ -	\$ -	\$ 745,118	\$ -	\$ 700,150	\$ -	\$ -	\$ 642,132	\$ -	\$ 643,951	\$ -	\$ -	\$ 2,731,351
Other: COF-COVID-19 Reimbursemer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022 Calculated Accumulation	\$ 601,094	\$ (575,365)	\$ 1,088,433	\$ (465,456)	\$ 696,699	\$ 3,431	\$ 48,043	\$ (1,439,750)	\$ 346,837	\$ 10,570	\$ (753,211)	\$ (652,468)	\$ (1,091,143)
2023	January	February	March	April	May	June	July	August	September	October	November	December	Total
Budget													
Plan Experience (Medical)	\$ 65,284	\$ 65,284	\$ 65,284	\$ 65,284	\$ 65,284	\$ 65,284	\$ 65,284	\$ 65,284	\$ 65,284	\$ 65,284	\$ 65,284	\$ 65,284	\$ 783,407
Plan Experience (Dental)	\$ 6,881	\$ 6,881	\$ 6,881	\$ 6,881	\$ 6,881	\$ 6,881	\$ 6,881	\$ 6,881	\$ 6,881	\$ 6,881	\$ 6,881	\$ 6,881	\$ 82,570
Kaiser Accumulation	\$ 34,161	\$ 34,161	\$ 34,161	\$ 34,161	\$ 34,161	\$ 34,161	\$ 34,161	\$ 34,161	\$ 34,161	\$ 34,161	\$ 34,161	\$ 34,161	\$ 409,938
Kaiser EPO Parity Accumulation	\$ 148,964	\$ 148,964	\$ 148,964	\$ 148,964	\$ 148,964	\$ 148,964	\$ 148,964	\$ 148,964	\$ 148,964	\$ 148,964	\$ 148,964	\$ 148,964	\$ 1,787,564
Prescription Drug Rebates	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ 950,000	\$ -	\$ -	\$ 950,000	\$ -	\$ -	\$ 950,000	\$ 3,450,000
2023 Budgeted Accumulation	\$ 255,290	\$ 255,290	\$ 855,290	\$ 255,290	\$ 255,290	\$ 1,205,290	\$ 255,290	\$ 255,290	\$ 1,205,290	\$ 255,290	\$ 255,290	\$ 1,205,290	\$ 6,513,479
Calculated													
Plan Experience (Medical)	\$ 704,945	\$ 1,360,540	\$ 186,596	\$ 1,188,022	\$ 1,350,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,790,465
Plan Experience (Dental)	\$ 94,579	\$ 30,896	\$ (9,934)	\$ 58,534	\$ 59,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,893
Kaiser Accumulation	\$ 32,807	\$ 33,162	\$ 33,294	\$ 33,008	\$ 33,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,306
Kaiser EPO Parity Accumulation	\$ 163,072	\$ 164,948	\$ 165,495	\$ 164,055	\$ 164,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 821,715
Prescription Drug Rebates	\$ -	\$ -	\$ -	\$ 532,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 532,281
Other: CMC Claims held by Anthem	\$ (448,742)	\$ (448,742)	\$ (448,742)	\$ (448,742)	\$ (448,742)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,243,710)
2023 Calculated Accumulation	\$ 546,661	\$ 1,140,804	\$ (73,291)	\$ 1,527,158	\$ 1,158,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,299,950

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