

August 25, 2023

## **SJVIA Board Meeting: Consultant's Report 2024 Final Renewal Report**

### **Introduction**

Keenan is pleased to present the SJVIA 2024 final renewal. The final 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 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 July 1, 2022 through June 30, 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 renewal assumes the continuation of the \$450,000 specific stop-loss deductible and a 15% increase in reinsurance cost.
  - Please note, the stop loss market has hardened over the past year; we are using 15% to be conservative and are hopeful to finalize stop loss coverage below 15%. Quotes will be solicited from the market for stop loss and staff will return at the December Board meeting with a complete analysis and recommendation.
- The renewal includes the June 30, 2023 Incurred But Not Reported (IBNR) reserve level recommendation set for approval by the SJVIA Board at the August 25, 2023 SJVIA Board meeting.
- The 2024 medical rates include 1.0% margin for the County of Fresno and 1.0% margin for the County of Tulare; the 2024 dental rates include 2.0% margin. Additionally Fresno County EPO 500 and EPO 1000 include a 3.5% adjustment to protect against adverse selection. Margin is available to cover adverse claim fluctuation and if unused, improves SJVIA's cash position.
- The medical self-funded plans have been adjusted for:
  - COVID-19 related claims for which reimbursement will be received from each County's ARPA funds,
  - The prescription drug Variable Copay Assistance Program (VCAP), and
  - Community Medical Center (CMC) claims incurred but not processed for payment.

## Executive Summary

Keenan is pleased to present the 2024 SJVIA final renewal. On an overall basis, the SJVIA renewal is 6.37% (County of Fresno 4.12% and County of Tulare 12.13%). The following table illustrates the 2024 final rate adjustments based on carrier requested renewals and standard underwriting practices:

Executive Summary	Final Renewal			Comments
	COF	COT	SJVIA	
Self-Funded Medical				The 2024 final renewal rates include \$810,405 in margin (1.0%). No change in IBNR is recommended based on the June 30, 2023 actuarial certification of the IBNR reserve analysis.
EPO	1.27%	n/a	1.27%	
PPO / HDHP	-33.14%	11.51%	2.74%	
Total	-3.94%	11.51%	1.44%	
Kaiser				Kaiser is requesting a renewal increase of 19.52%. The rate includes a vision enhancement for Fresno County to more closely match the VSP benefit. It is contingent upon Fresno County offering a Kaiser HDHP plan. Kaiser declared that for 2024, higher increases would be realized after Kaiser experienced a \$4.5 billion loss for 2022 (with \$1.3 billion being an operating loss).
HMO	19.52%	19.76%	19.52%	
Deductible HMO	n/a	19.80%	19.80%	
Kaiser Senior Advantage Medicare	n/a	21.63%	21.63%	The 2024 Kaiser Medicare Senior Advantage rates follow the active plan with a 20.86% renewal request.
Delta Dental				The PPO 2024 final renewal rate underwriting shows a -3.25% decrease. This includes a 2.0% margin. Keenan recommends holding rates at 0.0%. This would include \$247,150 in margin. Tulare County will be increasing their calendar year maximum from \$1,000 to \$2,000 resulting in a 10% increase to the rates. DHMO rates have a 0.00% 2024 renewal.
PPO (Plan design change)	-3.78%	-2.03% (+10.0%)	-3.25%	
DHMO	0.00%	0.00%	0.00%	
VSP	0.00%	0.00%	0.00%	The VSP rates remain unchanged with rates guaranteed from 2024 through 2025.

## 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	\$ 50,136,575	\$ 50,773,323	\$ 636,748	1.27%
PPO/HDHP	\$ 6,926,301	\$ 6,926,301	\$ -	0.00%
<b>Total Anthem</b>	\$ 57,062,876	\$ 57,699,624	\$ 636,748	1.12%
Kaiser	\$ 29,115,394	\$ 32,231,935	\$ 3,116,541	10.70%
Kaiser - KPSA	\$ -	\$ -	\$ -	0.00%
<b>Total Medical</b>	\$ 86,178,270	\$ 89,931,559	\$ 3,753,289	4.36%
Delta Dental PPO	\$ 3,494,587	\$ 3,494,587	\$ -	0.00%
Delta Dental DHMO	\$ 762,710	\$ 762,710	\$ -	0.00%
<b>Total Dental</b>	\$ 4,257,297	\$ 4,257,297	\$ -	0.00%
Vision	\$ 553,374	\$ 553,374	\$ -	0.00%
<b>Grand Total</b>	\$ 90,988,941	\$ 94,742,230	\$ 3,753,289	4.12%
County of Tulare	2023	2024	\$ Difference	% Difference
EPO	\$ -	\$ -	\$ -	0.00%
PPO/HDHP	\$ 30,571,209	\$ 34,090,303	\$ 3,519,094	11.51%
<b>Total Anthem</b>	\$ 30,571,209	\$ 34,090,303	\$ 3,519,094	11.51%
Kaiser	\$ 3,044,393	\$ 3,677,067	\$ 632,675	20.78%
Kaiser - KPSA	\$ 32,098	\$ 38,794	\$ 6,696	20.86%
<b>Total Medical</b>	\$ 33,615,601	\$ 37,767,370	\$ 4,151,769	12.35%
Delta Dental PPO	\$ 1,499,707	\$ 1,649,616	\$ 149,909	10.00%
Delta Dental DHMO	\$ 129,564	\$ 129,564	\$ -	0.00%
<b>Total Dental</b>	\$ 1,629,271	\$ 1,779,180	\$ 149,909	9.20%
Vision	\$ 214,464	\$ 214,464	\$ -	0.00%
<b>Grand Total</b>	\$ 35,459,336	\$ 39,761,014	\$ 4,301,678	12.13%
SJVIA	2023	2024	\$ Difference	% Difference
EPO	\$ 50,136,575	\$ 50,773,323	\$ 636,748	1.27%
PPO/HDHP	\$ 37,497,509	\$ 41,016,604	\$ 3,519,094	9.38%
<b>Total Anthem</b>	\$ 87,634,085	\$ 91,789,927	\$ 4,155,843	4.74%
Kaiser	\$ 32,159,786	\$ 35,909,002	\$ 3,749,216	11.66%
Kaiser - KPSA	\$ 32,098	\$ 38,794	\$ 6,696	20.86%
<b>Total Medical</b>	\$ 119,793,871	\$ 127,698,929	\$ 7,905,058	6.60%
Delta Dental PPO	\$ 4,994,294	\$ 5,144,203	\$ 149,909	3.00%
Delta Dental DHMO	\$ 892,274	\$ 892,274	\$ -	0.00%
<b>Total Dental</b>	\$ 5,886,568	\$ 6,036,477	\$ 149,909	2.55%
Vision	\$ 767,838	\$ 767,838	\$ -	0.00%
<b>Grand Total</b>	\$ 126,448,277	\$ 134,503,244	\$ 8,054,967	6.37%

## Executive Summary

The Plan Year 2024 renewal cost adjustment for medical/prescription drug, dental, and vision by entity and SJVIA overall are as follows:

- County of Fresno: 4.12%
- County of Tulare: 12.13%
- SJVIA: 6.37%

Renewal Strategies still to be considered:

- County of Fresno:
  - Add Kaiser HDHP plan
  - Enhance Kaiser vision benefit to match the VSP vision benefit more closely
  - Fresno County ARPA funds to reimburse SJVIA for COVID expenses within the plan experience used to underwrite Fresno County of \$1,031,210.
- County of Tulare:
  - Dental PPO plan increase Calendar Year Maximum from \$1,000 to \$2,000 and accept the 10% rate adjustment
  - Self-funded medical plan renewals buy-down from 11.51% to 5.00% utilizing ARPA funds:
    - Tulare County has paid \$3.1 million in COVID-19 claims
    - ARPA provides funding for COVID-related expenses
    - The SJVIA is in the process of requesting ARPA funds from the County of Tulare for the 2024 self-funded renewal:
      - \$593,221 to reimburse SJVIA for COVID expenses within the plan experience used to underwriting Tulare County, and
      - \$2,000,126 to buy down the renewal from 11.51% to 5.00%
      - For a total Tulare County ARPA fund transfer to SJVIA of \$2,593,347

## Recommendations

SJVIA Rates	Fresno County	Tulare County
EPO 0	8.60%	N/A
EPO 500 & 1000	3.50%	N/A
PPO/HDHP	0.00%	5.00%
Kaiser HMO	10.70%	20.78%
Kaiser HDHP HMO / DHMO	New Plan	20.77%
Kaiser - KPSA	N/A	20.86%
Delta Dental PPO	0.00%	10.00%
Delta Dental DHMO	0.00%	0.00%
Vision	0.00%	0.00%

Plan Design Changes:

Fresno County: Kaiser HMO Vision enhanced to be more similar to VSP benefit

Tulare County: Dental PPO plan enhanced to a \$2,000 Calendar Year Maximum

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

Line	EPO and PPO/HDHP Line Item/Description	Fresno			Tulare			Total		
		EPO	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
1	Paid Claims (Jul 2022 through Jun 2023)	\$31,935,758	\$14,351,544	\$46,287,302	\$19,211,017	\$10,932,410	\$30,143,427	\$51,146,775	\$25,283,954	\$76,430,729
2	Claim Adjustments (CMC Claim Adjustment)	\$2,544,528	\$0	\$2,544,528	\$133,922	\$0	\$133,922	\$2,678,450	\$0	\$2,678,450
3	Plan Change Adjustments (Med ARPA, RX VCAP)	(\$1,031,210)	(\$707,442)	(\$1,738,652)	(\$593,221)	(\$614,562)	(\$1,207,783)	(\$1,624,431)	(\$1,322,004)	(\$2,946,435)
4	Rx Change Adjustments (Rx Rebates)	\$0	(\$2,270,459)	(\$2,270,459)	\$0	(\$1,729,541)	(\$1,729,541)	\$0	(\$4,000,000)	(\$4,000,000)
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$582,968)</u>	<u>\$0</u>	<u>(\$582,968)</u>	<u>(\$8,371)</u>	<u>\$0</u>	<u>(\$8,371)</u>	<u>(\$591,339)</u>	<u>\$0</u>	<u>(\$591,339)</u>
6	Adjusted Paid Claims	\$32,866,108	\$11,373,643	\$44,239,751	\$18,743,347	\$8,588,307	\$27,331,654	\$51,609,455	\$19,961,950	\$71,571,405
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	Ending Reserves @ 6/30/2023	<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	<b>Incurred Claims (Jul 2022 through Jun 2023)</b>	<b>\$32,866,108</b>	<b>\$11,373,643</b>	<b>\$44,239,751</b>	<b>\$18,743,347</b>	<b>\$8,588,307</b>	<b>\$27,331,654</b>	<b>\$51,609,455</b>	<b>\$19,961,950</b>	<b>\$71,571,405</b>
10	Total Covered Employees (May 2022 through Apr 2023)	<u>47,229</u>	<u>47,229</u>	<u>47,229</u>	<u>36,154</u>	<u>36,154</u>	<u>36,154</u>	<u>83,383</u>	<u>83,383</u>	<u>83,383</u>
11	Claims Cost PEPM	\$689.52	\$240.78	\$930.30	\$518.43	\$237.55	\$755.98	\$618.94	\$239.40	\$858.35
12	Trend Factor	<u>1.1040</u>	<u>1.1146</u>	<u>1.1068</u>	<u>1.1068</u>	<u>1.1146</u>	<u>1.1093</u>	<u>1.0986</u>	<u>1.1145</u>	<u>1.1030</u>
13	<b>Projected Claims Cost Per Employee</b>	<b>\$761.24</b>	<b>\$268.38</b>	<b>\$1,029.61</b>	<b>\$573.80</b>	<b>\$264.77</b>	<b>\$838.57</b>	<b>\$679.97</b>	<b>\$266.81</b>	<b>\$946.78</b>
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	<b>Adjusted Projected Claims</b>	<b>\$768.85</b>	<b>\$271.06</b>	<b>\$1,039.91</b>	<b>\$579.54</b>	<b>\$267.42</b>	<b>\$846.96</b>	<b>\$686.77</b>	<b>\$269.48</b>	<b>\$956.25</b>
<b>Fixed Costs PEPM</b>										
16	Specific Stop-Loss Premium PEPM (Estimate)			\$25.53			\$23.33			\$24.58
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>\$20.29</u>			<u>\$18.28</u>			<u>\$19.42</u>
	<b>Total Fixed Costs</b>			<b>\$83.82</b>			<b>\$79.61</b>			<b>\$82.00</b>
20	<b>Required Premium PEPM</b>			<b>\$1,123.73</b>			<b>\$926.57</b>			<b>\$1,038.24</b>
21	<b>Current Premium PEPM</b>			<b>\$1,169.81</b>			<b>\$830.92</b>			<b>\$1,023.49</b>
22	<b>Required Increase</b>			<b>-3.94%</b>			<b>11.51%</b>			<b>1.44%</b>
23	<b>Current Subscribers (June 2023)</b>	4,067	4,067		3,066	3,066		7,133	7,133	
24	<b>Base Trend</b>	6.82%	7.50%		7.00%	7.50%		6.47%	7.50%	
25	<b>Months Trended</b>	18	18		18	18		18	18	

**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 (Jul 2022 through Jun 2023)	\$28,709,157	\$13,159,825	\$41,868,982				\$28,709,157	\$13,159,825	\$41,868,982
2	Claim Adjustments (CMC Claim Adjustment)	\$2,287,444	\$0	\$2,287,444				\$2,287,444	\$0	\$2,287,444
3	Plan Change Adjustments (Med ARPA, RX VCAP)	(\$927,023)	(\$648,698)	(\$1,575,721)				(\$927,023)	(\$648,698)	(\$1,575,721)
4	Rx Change Adjustments (Rx Rebates)	\$0	(\$2,081,925)	(\$2,081,925)				\$0	(\$2,081,925)	(\$2,081,925)
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$444,277)</u>	<u>\$0</u>	<u>(\$444,277)</u>				<u>(\$444,277)</u>	<u>\$0</u>	<u>(\$444,277)</u>
6	Adjusted Paid Claims	\$29,625,301	\$10,429,202	\$40,054,503				\$29,625,301	\$10,429,202	\$40,054,503
7	Beginning Reserves @ 12/31/2022	(\$5,616,649)	(\$868,033)	(\$6,484,682)				(\$5,616,649)	(\$868,033)	(\$6,484,682)
8	Ending Reserves @ 6/30/2023	<u>\$5,616,649</u>	<u>\$868,033</u>	<u>\$6,484,682</u>				<u>\$5,616,649</u>	<u>\$868,033</u>	<u>\$6,484,682</u>
9	<b>Incurred Claims (Jul 2022 through Jun 2023)</b>	<b>\$29,625,301</b>	<b>\$10,429,202</b>	<b>\$40,054,503</b>				<b>\$29,625,301</b>	<b>\$10,429,202</b>	<b>\$40,054,503</b>
10	Total Covered Employees (May 2022 through Apr 2023)	<u>38,606</u>	<u>38,606</u>	<u>38,606</u>				<u>38,606</u>	<u>38,606</u>	<u>38,606</u>
11	Claims Cost PEPM	\$767.38	\$270.14	\$1,037.52				\$767.38	\$270.14	\$1,037.52
12	Trend Factor	<u>1.1068</u>	<u>1.1146</u>	<u>1.1088</u>				<u>1.1068</u>	<u>1.1146</u>	<u>1.1088</u>
13	<b>Projected Claims Cost Per Employee</b>	<b>\$849.33</b>	<b>\$301.10</b>	<b>\$1,150.43</b>				<b>\$849.33</b>	<b>\$301.10</b>	<b>\$1,150.43</b>
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>
15	<b>Adjusted Projected Claims</b>	<b>\$857.82</b>	<b>\$304.11</b>	<b>\$1,161.94</b>				<b>\$857.82</b>	<b>\$304.11</b>	<b>\$1,161.94</b>
	<b>Fixed Costs PEPM</b>									
16	Specific Stop-Loss Premium PEPM (Estimate)			\$26.41						\$26.41
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>\$20.30</u>						<u>\$20.30</u>
	<b>Total Fixed Costs</b>			<b>\$84.71</b>						<b>\$84.71</b>
20	<b>Required Premium PEPM</b>			<b>\$1,246.64</b>						<b>\$1,246.64</b>
21	<b>Current Premium PEPM</b>			<b>\$1,231.01</b>						<b>\$1,231.01</b>
22	<b>Required Increase</b>			<b>1.27%</b>						<b>1.27%</b>
23	<b>Current Subscribers (June 2023)</b>	3,394	3,394					3,394	3,394	
24	<b>Base Trend</b>	7.00%	7.50%					7.00%	7.50%	
25	<b>Months Trended</b>	18	18					18	18	

**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 (Jul 2022 through Jun 2023)	\$3,226,601	\$1,191,719	\$4,418,320	\$19,211,017	\$10,932,410	\$30,143,427	\$22,437,618	\$12,124,129	\$34,561,747
2	Claim Adjustments (CMC Claim Adjustment)	\$257,084	\$0	\$257,084	\$133,922	\$0	\$133,922	\$391,006	\$0	\$391,006
3	Plan Change Adjustments (Med ARPA, RX VCAP)	(\$104,187)	(\$58,744)	(\$162,931)	(\$593,221)	(\$614,562)	(\$1,207,783)	(\$697,408)	(\$673,306)	(\$1,370,714)
4	Rx Change Adjustments (Rx Rebates)	\$0	(\$188,534)	(\$188,534)	\$0	(\$1,729,541)	(\$1,729,541)	\$0	(\$1,918,075)	(\$1,918,075)
5	Large Claim Adjustment (Pooling Level: \$450,000)	<u>(\$138,691)</u>	<u>\$0</u>	<u>(\$138,691)</u>	<u>(\$8,371)</u>	<u>\$0</u>	<u>(\$8,371)</u>	<u>(\$147,062)</u>	<u>\$0</u>	<u>(\$147,062)</u>
6	Adjusted Paid Claims	\$3,240,807	\$944,441	\$4,185,248	\$18,743,347	\$8,588,307	\$27,331,654	\$21,984,154	\$9,532,748	\$31,516,902
7	Beginning Reserves @ 12/31/2022	(\$491,866)	(\$73,243)	(\$565,109)	(\$2,214,590)	(\$718,560)	(\$2,933,150)	(\$2,706,456)	(\$791,803)	(\$3,498,259)
8	Ending Reserves @ 6/30/2023	<u>\$191,126</u>	<u>\$71,503</u>	<u>\$262,629</u>	<u>\$2,214,590</u>	<u>\$718,560</u>	<u>\$2,933,150</u>	<u>\$2,405,716</u>	<u>\$790,063</u>	<u>\$3,195,779</u>
9	<b>Incurred Claims (Jul 2022 through Jun 2023)</b>	<b>\$2,940,067</b>	<b>\$942,701</b>	<b>\$3,882,769</b>	<b>\$18,743,347</b>	<b>\$8,588,307</b>	<b>\$27,331,654</b>	<b>\$21,683,414</b>	<b>\$9,531,008</b>	<b>\$31,214,423</b>
10	Total Covered Employees (May 2022 through Apr 2023)	<u>8,623</u>	<u>8,623</u>	<u>8,623</u>	<u>36,154</u>	<u>36,154</u>	<u>36,154</u>	<u>44,777</u>	<u>44,777</u>	<u>44,777</u>
11	Claims Cost PEPM	\$340.96	\$109.32	\$450.28	\$518.43	\$237.55	\$755.98	\$484.25	\$212.85	\$697.11
12	Trend Factor	<u>1.0759</u>	<u>1.1146</u>	<u>1.0853</u>	<u>1.1068</u>	<u>1.1146</u>	<u>1.1093</u>	<u>1.1026</u>	<u>1.1146</u>	<u>1.1063</u>
13	<b>Projected Claims Cost Per Employee</b>	<b>\$366.84</b>	<b>\$121.85</b>	<b>\$488.69</b>	<b>\$573.80</b>	<b>\$264.77</b>	<b>\$838.57</b>	<b>\$533.94</b>	<b>\$237.25</b>	<b>\$771.19</b>
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	<b>Adjusted Projected Claims</b>	<b>\$370.50</b>	<b>\$123.07</b>	<b>\$493.57</b>	<b>\$579.54</b>	<b>\$267.42</b>	<b>\$846.96</b>	<b>\$539.28</b>	<b>\$239.62</b>	<b>\$778.90</b>
	<b>Fixed Costs PEPM</b>									
16	Specific Stop-Loss Premium PEPM (Estimate)			\$21.62			\$23.33			\$23.00
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>
	<b>Total Fixed Costs</b>			<b>\$79.86</b>			<b>\$79.61</b>			<b>\$79.66</b>
20	<b>Required Premium PEPM</b>			<b>\$573.43</b>			<b>\$926.57</b>			<b>\$858.56</b>
21	<b>Current Premium PEPM</b>			<b>\$857.64</b>			<b>\$830.92</b>			<b>\$835.66</b>
22	<b>Required Increase</b>			<b>-33.14%</b>			<b>11.51%</b>			<b>2.74%</b>
23	<b>Current Subscribers (June 2023)</b>	673	673		3,066	3,066		3,739	3,739	
24	<b>Base Trend</b>	5.00%	7.50%		7.00%	7.50%		6.73%	7.50%	
25	<b>Months Trended</b>	18	18		18	18		18	18	

**Self-funded Dental Underwriting Total SJVIA**

				County of Fresno	County of Tulare	SJVIA
1	Paid Claims (7/1/2022 - 6/30/2023)			\$2,670,098	\$1,156,524	\$3,826,622
2	Beginning Reserve			(113,554)	(44,440)	(157,993)
3	Ending Reserve			172,356	74,601	246,957
4	Incurred Claims			\$2,728,901	\$1,186,685	\$3,915,586
5	Covered Employees			56,448	32,432	88,880
6	Incurred Claims/EE/Month			\$48.34	\$36.59	\$44.05
7	Trend Factor	5.0%		1.0759	1.0759	1.0759
8	Expected Incurred Claims (1/1/2024 - 12/31/2024)			\$52.01	\$39.37	\$47.40
9	Administration			\$4.40	\$4.40	\$4.40
10	Plan Adjustments			\$0.00	\$0.00	\$0.00
11	Calculated Funding Level Without Margin			\$56.41	\$43.77	\$51.80
12	Current Average Funding Level			\$59.71	\$45.48	\$54.52
13	<b>Calculated Funding Action Without Margin = (10)/(11)</b>			<b>-5.53%</b>	<b>-3.76%</b>	<b>-4.99%</b>
14	Recommended Margin = Margin % x (8)	2.0%		\$1.04	\$0.79	\$0.95
15	Calculated Funding Level With Margin = (10)+(13)			\$57.45	\$44.56	\$52.75
16	Current Average Funding Level = (11)			\$59.71	\$45.48	\$54.52
17	<b>Calculated Funding Action With Margin = (14)/(15)</b>			<b>-3.78%</b>	<b>-2.03%</b>	<b>-3.25%</b>

Note: Tulare County dental plan will have a \$2,000 Calendar Year Maximum for 2024 and require a 10.0% adjustment to the 2023 rate



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

				<b>County of Fresno</b>	<b>County of Tulare</b>	<b>SJVIA</b>
1	Paid Claims (7/1/2022 - 6/30/2023)			\$366,297	\$201,666	\$567,964
2	Beginning Reserve 5%			(19,407)	(9,419)	(28,825)
3	Ending Reserve 5%			18,315	10,083	28,398
4	Incurred Claims			\$365,205	\$202,331	\$567,537
5	Covered Employees			51,959	34,905	86,864
6	Incurred Claims/EE/Month			\$7.03	\$5.80	\$6.53
7	Trend Factor	3.5%		1.0530	1.0530	1.0530
8	Expected Incurred Claims (1/1/2024 - 12/31/2024)			\$7.40	\$6.10	\$6.88
9	Administration			\$1.36	\$1.36	\$1.36
10	Plan Adjustments			\$0.00	\$0.00	\$0.00
11	Calculated Funding Level Without Margin			\$8.76	\$7.46	\$8.24
12	Current Average Funding Level			\$10.37	\$6.05	\$8.63
13	<b>Calculated Funding Action Without Margin = (10)/(11)</b>			<b>-15.54%</b>	<b>23.36%</b>	<b>-4.52%</b>
14	Recommended Margin = Margin % x (8)	2.0%		\$0.15	\$0.12	\$0.14
15	Calculated Funding Level With Margin = (10)+(13)			\$8.91	\$7.58	\$8.38
16	Current Average Funding Level = (11)			\$10.37	\$6.05	\$8.63
17	<b>Calculated Funding Action With Margin = (14)/(15)</b>			<b>-14.11%</b>	<b>25.38%</b>	<b>-2.92%</b>

**EPO Renewal**

<b>Total PEPM Cost</b>	<b>EPO 0</b>	<b>EPO 500</b>	<b>EPO 1000</b>	<b>Total</b>
<b>Premium</b>	\$ 1,268.67	\$ 1,099.99	\$ 1,053.17	\$ 1,228.92
<b>Paid Claims</b>				
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
<b>Fixed Cost</b>	\$ 100.39	\$ 100.39	\$ 100.39	\$ 100.39
<b>Total Cost</b>	\$ 1,424.25	\$ 761.50	\$ 541.17	\$ 1,262.87
<b>Loss Ratio</b>	112.3%	69.2%	51.4%	102.8%
<b>2024 Renewal</b>				
Enrollment	2,528	208	626	3,362
Renewal %	8.6%	3.5%	3.5%	3.7%
Annual Premium	\$ 41,796,201	\$ 2,841,670	\$ 8,188,312	\$ 52,826,183
PEPM Premium	\$ 1,377.78	\$ 1,138.49	\$ 1,090.03	\$ 1,309.39

Due to the EPO's rate structure, a 3.5% adverse selection load was included in the EPO 500 and EPO 1000 in anticipation of migration from the Kaiser plan.

# 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	\$ 488.74	\$ 4.89	\$ 5.72	\$ -	\$ 499.35
Subscriber & Spouse	94	\$ 733.87	\$ 67.95	\$ 5.62	\$ 6.54	\$ 813.98	\$ 877.11	\$ 8.77	\$ 5.72	\$ -	\$ 891.60
Subscriber & Child(ren)	417	\$ 646.97	\$ 54.57	\$ 5.62	\$ 6.42	\$ 713.58	\$ 773.25	\$ 7.73	\$ 5.72	\$ -	\$ 786.70
Subscriber & Family	122	\$ 971.13	\$ 86.84	\$ 5.62	\$ 9.39	\$ 1,072.98	\$ 1,160.67	\$ 11.61	\$ 5.72	\$ -	\$ 1,178.00
Annual Amount	2,003	\$26,454,538	\$ 2,123,146	\$ 292,678	\$ 245,031	\$29,115,394	\$31,617,797	\$ 316,251	\$ 297,886	\$ -	\$32,231,935
\$ Difference		\$ 697,919	\$ 536,629	\$ (10,416)	\$ -	\$ 1,224,132	\$ 5,163,259	\$(1,806,895)	\$ 5,208	\$ (245,031)	\$ 3,116,541
% Difference		2.71%	33.82%	-3.44%	0.00%	4.39%	19.52%	-85.10%	1.78%	-100.00%	10.70%
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 – County of Fresno

Current Kaiser vision benefit is being updated for 2024 to more closely match the County’s VSP plan:

## Old Benefits

- \$175 allowance is applied towards cost of frames, lenses, and contact lenses every 24 months<sup>1</sup>

## New Benefits

- frames up to \$200 every 24 months and standard plastic lenses every 12 months at no charge<sup>1</sup>
- in lieu of glasses, contact lens allowance is \$200 every 12 months<sup>1</sup>

### Example: \$150 frame with standard lenses

#### Old \$175 Benefit Plan

Frame	\$200
Standard plastic lens	+ \$49
<hr/>	
	\$249
Allowance	- \$175
<hr/>	
<b>Member pays out-of-pocket</b>	<b>\$74</b>

VS

#### New \$200 Benefit Plan

Frame	\$200
Standard plastic lens	+ \$0
<hr/>	
	\$200
Allowance	- \$200
<hr/>	
<b>Member pays out-of-pocket</b>	<b>\$0</b>

## Kaiser Senior Advantage – County of Tulare

County of Tulare Kaiser Senior Advantage	Enrollment	Kaiser KPSA 2023 Rates			Kaiser KPSA Rates		
		Carrier Rate	Admin Fee	SJVIA Rate	Carrier Rate	Admin Fee	SJVIA Rate
Subscriber with Medicare	9	\$233.91	\$10.18	\$244.09	\$284.51	\$10.32	\$294.83
Subscriber with Medicare + Spouse with Medicare	1	\$467.82	\$10.18	\$478.00	\$569.02	\$10.32	\$579.34
Total	10	\$30,876	\$1,222	\$32,098	\$37,555	\$1,238	\$38,794
\$ Difference					\$6,679	\$17	\$6,696
% Difference					21.63%	1.38%	20.86%

# New Kaiser HDHP Plan – County of Fresno

Proposed Benefit Summary: \$3,000 DED; After Out-of-Pocket Max is satisfied: \$0 Office Visit, \$0 In-Patient, \$0 RX (HSA qualified)

<b>Accumulation Period</b>			
The Accumulation Period for this plan is January 1 through December 31.			
<b>Out-of-Pocket Maximums and Deductibles</b>			
For Services that apply to the Plan Out-of-Pocket Maximum, you will not pay any more Cost Share for the rest of the Accumulation Period once you have reached the amounts listed below.			
For Services that are subject to the Plan Deductible or the Drug Deductible, you must pay Charges for covered Services you receive during the Accumulation Period until you reach the deductible amounts listed below. All payments you make toward your deductibles apply to the Plan Out-of-Pocket Maximum amounts listed below.			
<b>Amounts Per Accumulation Period</b>	<b>Self-Only Coverage (a Family of one Member)</b>	<b>Family Coverage Each Member in a Family of two or more Members</b>	<b>Family Coverage Entire Family of two or more Members</b>
Plan Out-of-Pocket Maximum	\$3,000	\$3,000	\$6,000
Plan Deductible	\$3,000	\$3,000	\$6,000
Drug Deductible	Not applicable	Not applicable	Not applicable

Note: Full Benefit Summary is attached to this report for reference

County of Fresno Kaiser HDHP Plan	Lives	2024 Monthly Rates					2024 Bi-Weekly Rates				
		Kaiser Rate	Margin	SJVIA Admin.	Vision	SJVIA Rate	Kaiser Rate	Margin	SJVIA Admin.	Vision	SJVIA Rate
Subscriber Only		\$ 773.39	\$ 27.07	\$ 12.32	\$ -	\$ 812.78	\$ 356.95	\$ 12.49	\$ 5.69	\$ -	\$ 375.13
Subscriber & Spouse		\$ 1,387.97	\$ 48.58	\$ 12.32	\$ -	\$ 1,448.87	\$ 640.60	\$ 22.42	\$ 5.69	\$ -	\$ 668.71
Subscriber & Child(ren)		\$ 1,223.60	\$ 42.83	\$ 12.32	\$ -	\$ 1,278.75	\$ 564.74	\$ 19.77	\$ 5.69	\$ -	\$ 590.20
Subscriber & Family		\$ 1,836.68	\$ 64.28	\$ 12.32	\$ -	\$ 1,913.28	\$ 847.70	\$ 29.67	\$ 5.69	\$ -	\$ 883.06

Includes 3.5% for margin and adverse selection.

### 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	\$ 40.30
Employee + Spouse	200	\$ 63.51	\$ 69.87
Employee + Children	301	\$ 71.97	\$ 79.17
Employee + Family	119	\$ 106.84	\$ 117.53
Total	2746	\$ 1,499,707	\$ 1,649,616
\$ Difference		\$ -	\$ 149,909
% Difference		0.00%	10.00%

### 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%

2024 Delta Dental DHMO rates are guaranteed for 2024 through 2026.

## Vision Service Plan – VSP

<b>County of Fresno</b>	<b>Enrollment</b>	<b>2023</b>	<b>2024</b>
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%
<b>County of Tulare</b>	<b>Enrollment</b>	<b>2023</b>	<b>2024</b>
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.



## SJVIA – Fixed Costs

SJVIA Fixed Costs	County of Fresno			County of Tulare		
	2022	2023	2024	2022	2023	2024
Actual Specific Stop-Loss Premium Employee Only	\$13.79	\$16.52	TBD	\$13.79	\$16.52	TBD
Actual Specific Stop-Loss Premium Employee + Dependents	\$27.69	\$33.17	TBD	\$27.69	\$33.17	TBD
Estimated Specific PPO/HDHP Stop-Loss Premium PEPM	\$16.83	\$16.64	\$21.62	\$19.08	\$18.45	\$23.33
Estimated Specific EPO Stop-Loss Premium PEPM	\$24.19	\$21.60	\$26.41	N/A	N/A	N/A
Aggregate Stop-Loss Premium PEPM	N/A	N/A	N/A	N/A	N/A	N/A
PPO/HDHP Anthem Network & Admin. Fees	\$36.10	\$38.00	\$38.00	\$36.10	\$38.00	\$38.00
EPO Anthem Network & Admin. Fees	\$50.78	\$38.00	\$38.00	N/A	N/A	N/A
EmpiRx Administration Fee	\$3.54	\$3.35	\$4.50	\$3.54	\$3.35	\$4.50
Wellness	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Claims Mgmt/Communication	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Keenan Consulting Fee	\$2.88	\$2.43	\$2.42	\$2.88	\$2.43	\$2.42
Keenan Pharmacy Services Fee (EPO/PPO/HDHP)	\$2.04	\$1.92	\$1.34	\$2.04	\$1.92	\$1.34
SJVIA Fee	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
MyWorkplace - Benefits Administration	\$2.75	\$2.75	\$2.90	\$2.75	\$2.75	\$2.90
Navia - COBRA and Retiree Administration	\$2.00	\$2.00	\$2.00	\$0.00	\$0.00	\$0.00
PCORI/Transitional Reinsurance Fees PPO/HDHP	\$0.28	\$0.30	\$0.34	\$0.34	\$0.36	\$0.38
PCORI/Transitional Reinsurance Fees EPO	\$0.49	\$0.45	\$0.40	N/A	N/A	N/A
98.6 Rider	\$1.57	\$1.65	\$1.74	\$1.07	\$1.39	\$1.74
<b>Total Fixed Cost - Self-Funded PPO Medical Plans</b>	<b>\$72.99</b>	<b>\$74.04</b>	<b>\$79.86</b>	<b>\$72.80</b>	<b>\$73.65</b>	<b>\$79.61</b>
<b>Total Fixed Cost - Self-Funded HDHP HSA Medical Plans</b>	<b>\$67.41</b>	<b>\$74.04</b>	<b>\$79.86</b>	<b>\$67.22</b>	<b>\$73.65</b>	<b>\$79.61</b>
<b>Total Fixed Cost - Self-Funded EPO Medical Plans</b>	<b>\$95.24</b>	<b>\$79.15</b>	<b>\$84.71</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total Fixed Cost - Kaiser</b>	<b>\$12.63</b>	<b>\$12.18</b>	<b>\$12.32</b>	<b>\$10.63</b>	<b>\$10.18</b>	<b>\$10.32</b>
<b>Total Fixed Cost - Delta Dental</b>	<b>\$4.19</b>	<b>\$4.19</b>	<b>\$4.40</b>	<b>\$4.19</b>	<b>\$4.19</b>	<b>\$4.40</b>