



BOARD OF DIRECTORS

STEVE BRANDAU
NATHAN MAGSIG
BUDDY MENDES
LARRY MICARI
BRIAN PACHECO
AMY SHUKLIAN
PETE VANDER POEL

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Avenue
Visalia, CA 93291**

AGENDA DATE: August 25, 2023

ITEM NUMBER: Item 9

SUBJECT: Receive Consultant's Medical, Dental, and Vision Experience Reports through June 2023 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 June 2023 and update on projected plan experience accumulation.

DESCRIPTION:

The Consultant's report shows that on a total cost basis from January through June 2023, the self-insured medical premium of \$43,724,321 exceeded the total cost of \$37,963,209 for an accumulation of \$5,761,112, or an 86.8% loss ratio.

Please note, the above medical accumulation and loss ratio does not take into account claims incurred from January 1, 2023 through June 30, 2023 at Community Medical Center (CMC) that are being held by Anthem. Keenan has estimated the paid claims and current discounts as shown in the Consultant's Report (Attachment 1). Totals reported under Fiscal Impact/Financing below take into account estimated average CMC claims held.

For the self-insured dental, the report shows that on a total cost basis, the dental premium of \$2,461,715 exceeded total cost of \$2,215,701 for an accumulation of \$246,014 or an 90.01% loss ratio.

The vision plan remains fully insured and has an accumulation of \$33,159. Under the fully insured arrangement all deficit or surplus positions stay with the carrier.

AGENDA: San Joaquin Valley Insurance Authority

DATE: August 25, 2023

Keenan has projected a \$6,513,479 accumulation for the 2023 plan year. The accumulation is built from premium exceeding plan costs, built-in margin on the Kaiser plan, prescription drug rebates, and other sources. After the first six months of 2023, the position is \$5,640,554, 86.6% of the projected annual total.

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

FISCAL IMPACT/FINANCING:

The 2023 plan year experience developed a \$3,082,661 medical surplus and a \$246,015 dental surplus for a total self-funded surplus of \$3,328,676. Prescription drug rebates in the amount of \$1,127,509 have been received. The Kaiser reserve of \$198,359 and the Kaiser EPO parity reserve of \$986,008, brings the collective total reserve accumulation to a surplus of \$5,640,554 for the first six months of 2023 (note: total includes estimated CMC held claims deduction). 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:



Lupe Garza
SJVIA Manager



Hollis Magill
SJVIA Assistant Manager