

August 25, 2023

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

The following pages provide a summary of the plan experience from January 1 through June 30, 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, claims incurred from January 1, 2023 through June 30, 2023 at Community Medical Center (CMC) have been held by Anthem and started being paid August 7, 2023. Claims from January 1 through June 30, 2023 incurred at CMC have not been included in the experience report. For purposes of this report, Keenan has estimated the paid claims and current discounts. Please see the following chart:

CMC Billed Charge Adjustment	6 Month Total	Monthly Average
CMC Billed Charges (01.01-06.23)	\$ 7,831,724	
Anthem Network Discount	65.8%	
Paid Claim Estimate	\$ 2,678,450	\$ 446,408
95% Fresno County	\$ 2,544,528	\$ 424,088
5% Tulare County	\$ 133,922	\$ 22,320

The monthly average paid claims (\$446,408) will be added to each County for January through June; these amounts will be removed once actual claims are processed.

The SJVIA self-funded plans show a net surplus position of \$3,328,676 through June 2023. The County of Fresno has a \$3,836,195 surplus position and the County of Tulare has a (\$507,519) deficit position prior to adjustments for Kaiser margin and parity, prescription drug rebates, and other adjustments.

Accumulation	COF	COT	Total
Medical	\$ 6,196,034	\$ (434,923)	\$ 5,761,111
CMC Claims	\$ (2,544,528)	\$ (133,922)	\$ (2,678,450)
Net Medical	\$ 3,651,506	\$ (568,845)	\$ 3,082,661
Dental	\$ 184,689	\$ 61,326	\$ 246,015
Total	\$ 3,836,195	\$ (507,519)	\$ 3,328,676
Vision (Insured)	\$ 45,317	\$ (12,158)	\$ 33,159
Loss Ratio			
Medical	87.1%	103.7%	92.9%
Dental	89.2%	91.8%	90.0%
Vision	83.4%	111.4%	91.3%

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 \$3,082,661 for a 92.9% total cost loss ratio.

The Delta Dental self-funded dental plan shows an accumulated surplus position of \$246,015 for an 90.0% total cost loss ratio.

The vision plan remains fully insured and shows an accumulated position of \$33,159 for a 91.3% 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 six months of 2023, Tulare County's claim run has softened to an accumulated medical deficit position of (\$568,845). Year-to-date for June 2022, experience reported a deficit for Tulare County which was (\$1,125,318) or (\$690,394) higher.

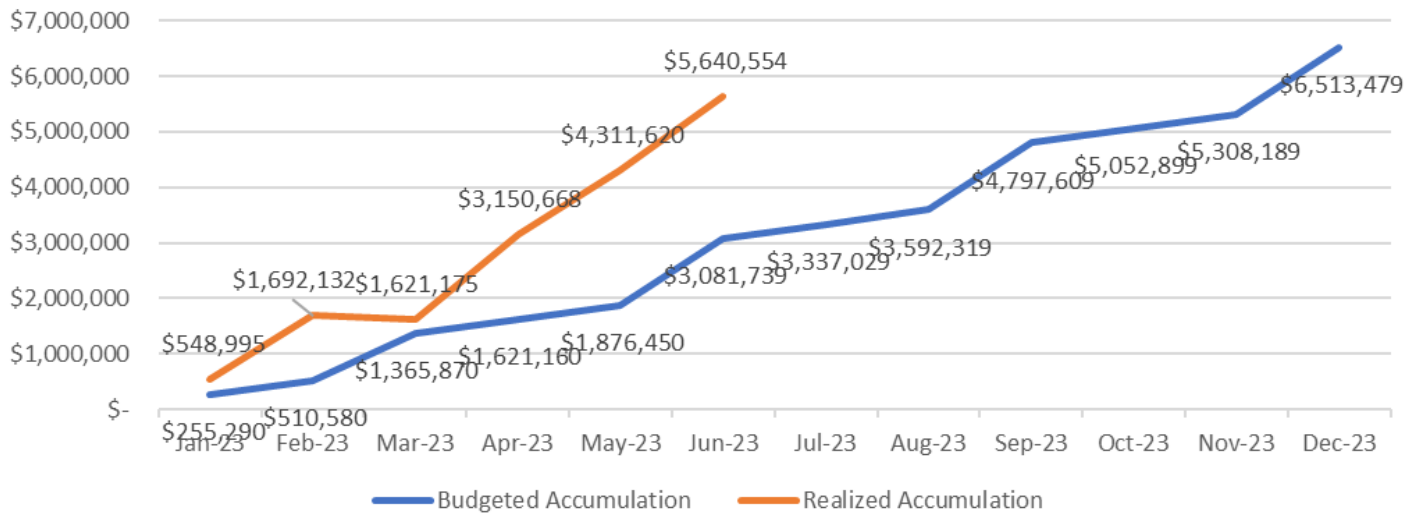
Keenan projects prescription drug rebates of \$3,450,000 for 2023. Third and fourth quarter 2022 rebates have posted in 2023 for \$1,127,509.

Fresno County budgeted Kaiser margin and EPO Parity margin in 2023 of \$2,197,502. Over the first six months, the SJVIA has realized \$1,184,367 (53.9% of the annual target).

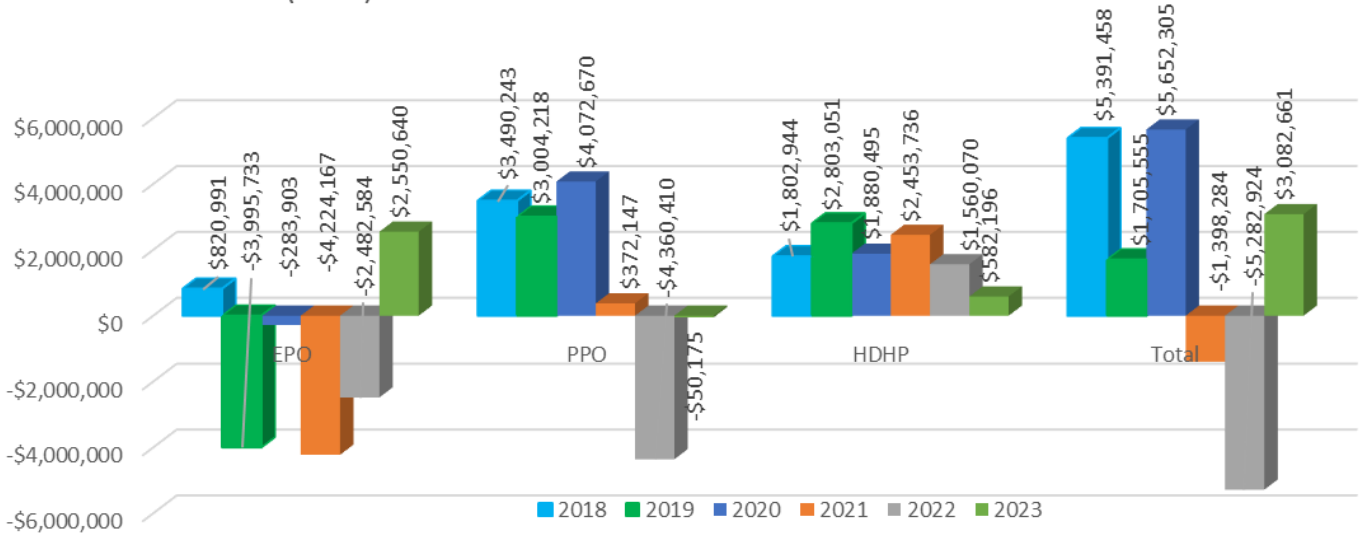
Over the first six months of 2023, the SJVIA has accumulated \$5,640,554 in margin (86.6% of the \$6,513,479 annual budget). Well ahead of the 50.0% the SJVIA was scheduled to be after six months.

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

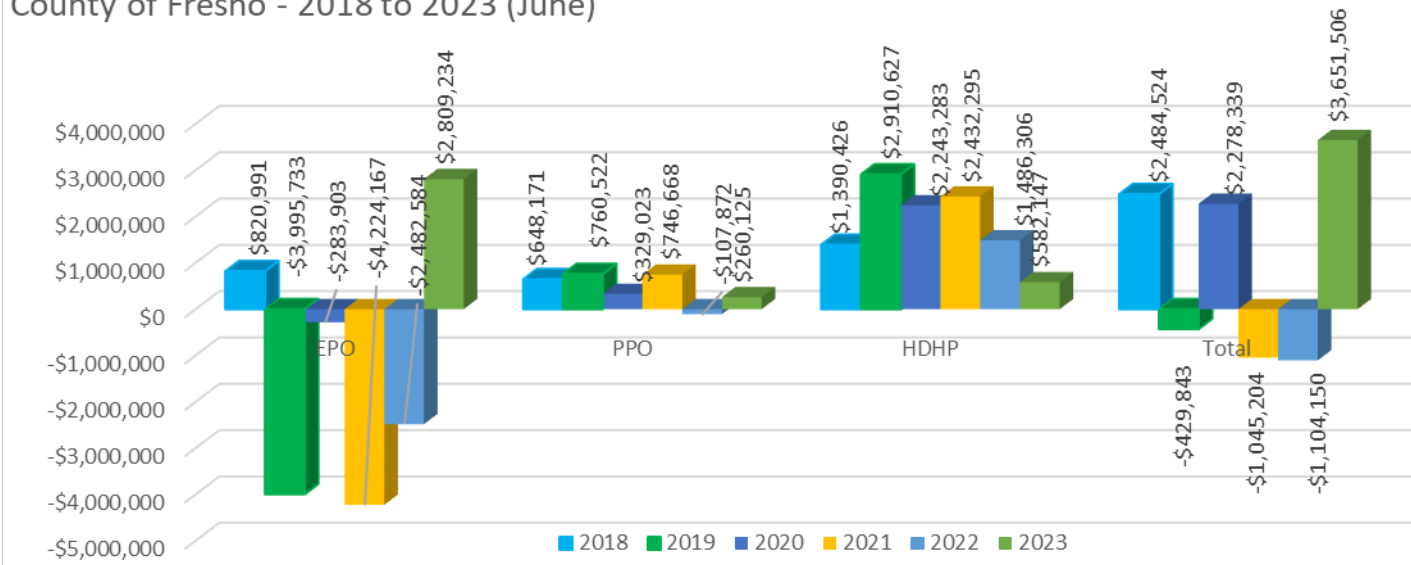
Accumulation Comparison



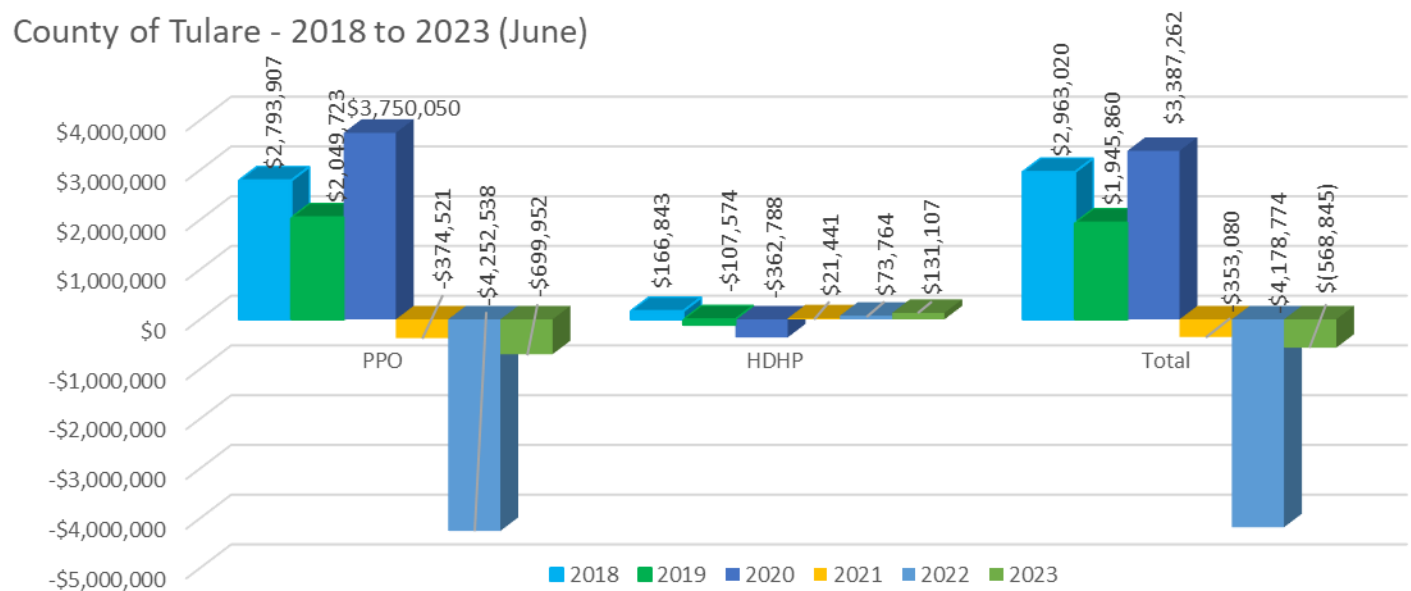
SJVIA - 2018 to 2023 (June)



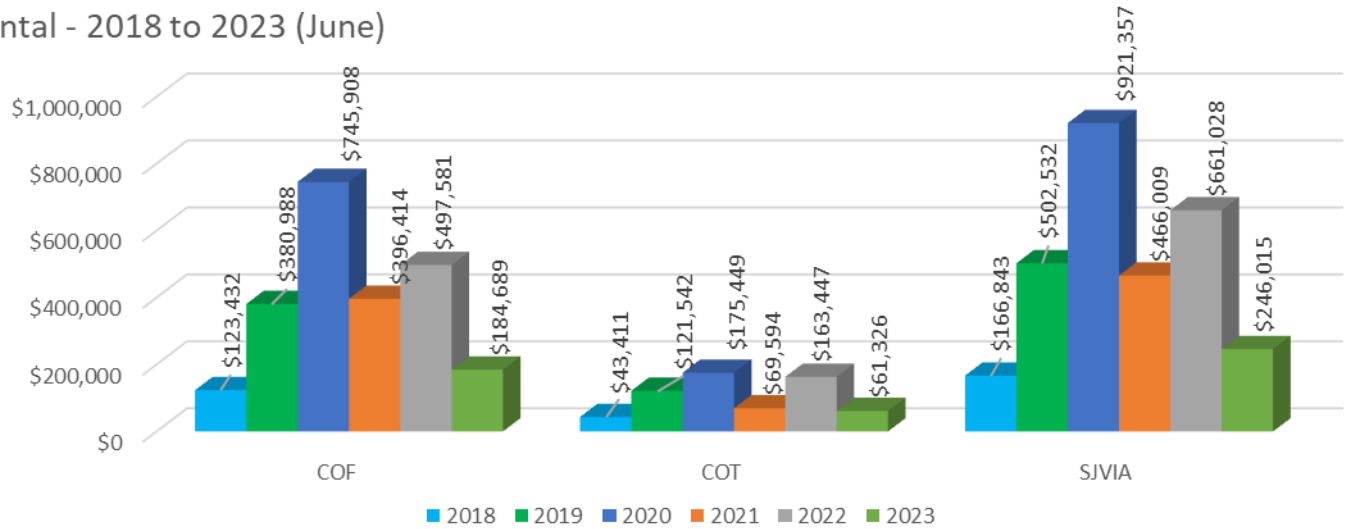
County of Fresno - 2018 to 2023 (June)



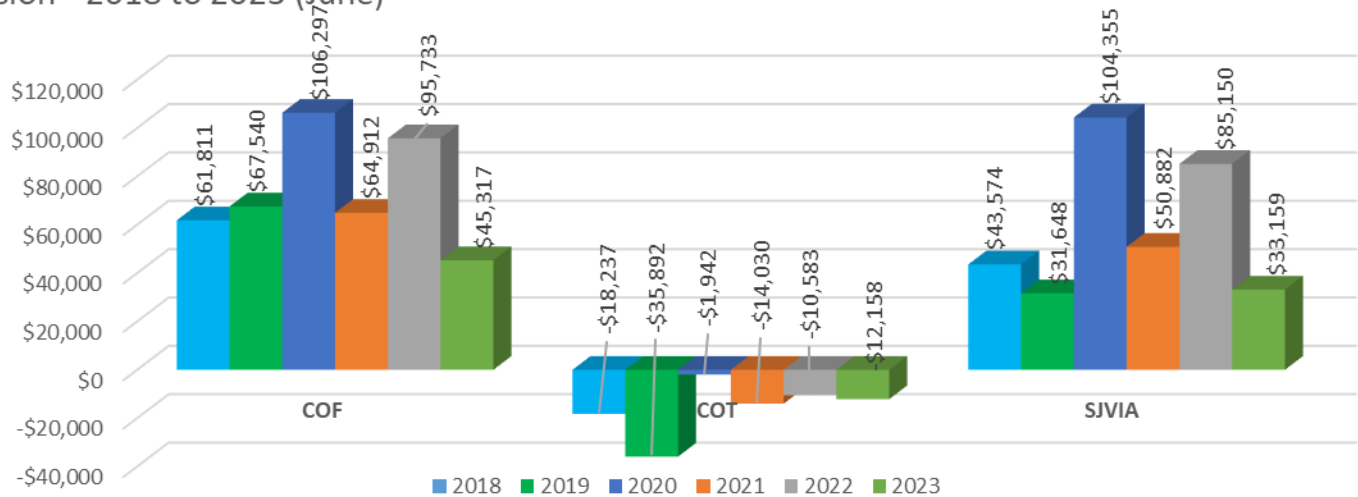
County of Tulare - 2018 to 2023 (June)



Dental - 2018 to 2023 (June)



Vision - 2018 to 2023 (June)



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 2022 Experience Report. Since then Keenan has learned that the funds have not yet been received, but should be received in the following months. 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	\$ 970,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,761,111
Plan Experience (Dental)	\$ 94,579	\$ 30,896	\$ (9,934)	\$ 58,534	\$ 59,818	\$ 12,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246,015
Kaiser Accumulation	\$ 32,807	\$ 33,162	\$ 33,294	\$ 33,008	\$ 33,035	\$ 33,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,359
Kaiser EPO Parity Accumulation	\$ 163,072	\$ 164,948	\$ 165,495	\$ 164,055	\$ 164,146	\$ 164,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 986,008
Prescription Drug Rebates	\$ -	\$ -	\$ -	\$ 532,281	\$ -	\$ 595,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,127,509
Other: CMC Claims held by Anthem	\$ (446,408)	\$ (446,408)	\$ (446,408)	\$ (446,408)	\$ (446,408)	\$ (446,408)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,678,448)
2023 Calculated Accumulation	\$ 548,995	\$ 1,143,138	\$ (70,957)	\$ 1,529,492	\$ 1,160,952	\$ 1,328,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,640,554

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