



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: December 8, 2023

ITEM NUMBER: Item 9

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

DESCRIPTION:

The Consultant's report shows that on a total cost basis from January through September 2023, the self-insured medical premium of \$65,837,252 exceeded the total cost of \$61,473,853 for an accumulation of \$4,363,399, or a 93.4% loss ratio.

Please note that claims incurred from January 1, 2023 through July 31, 2023 at Community Medical Center (CMC) are being paid under the SJVIA's direct contract and were held by Anthem through August 14, 2023. This report includes all CMC paid claims paid through September, 2023. It is estimated that another \$905,182 CMS direct contract claims are still outstanding. The inclusion of the projected CMC claims increases the loss ratio from 93.4% to 94.8% and decreases the medical surplus from \$4,363,399 to \$3,458,217.

For the self-insured dental, the report shows that on a total cost basis, the dental premium of \$3,715,775 exceeded the total cost of \$3,275,628 for an accumulation of \$440,147 or an 88.15% loss ratio.

The vision plan remains fully insured and has an accumulation of \$54,591 for a 90.43% loss ratio. Under the fully insured arrangement all deficit or surplus positions stay with the carrier.

AGENDA: San Joaquin Valley Insurance Authority

DATE: December 8, 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 nine months of 2023, the position is \$7,957,701, 122.2% 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 \$3,458,217 medical surplus and a \$440,147 dental surplus for a total self-funded surplus of \$3,898,364. Prescription drug rebates in the amount of \$2,282,329 have been received. The Kaiser reserve of \$297,559 and the Kaiser EPO parity reserve of \$1,479,451, brings the collective total reserve accumulation to a surplus of \$7,957,701 for the first nine 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