

February 9, 2024

## SJVIA Reserve Reconciliation Report

The SJVIA staff requested Keenan provide an annual report outlining reserve accumulation since inception. Keenan reviewed the performance of the plan, financial adjustments to the plans for prescription drug rebates, margin surcharge on Kaiser, year-end accounting, dental reserve buildup (since 2019), and other revenues received by the SJVIA. The SJVIA’s obligation for the IBNR reserve liability and three-month stabilization reserve were also included. The following chart, illustrates the reserve accumulation position of the SJVIA and each entity:

December 31, 2023 Position	SJVIA	Fresno	Tulare	All Other
Medical/RX Performance	\$ (5,532,250)	\$ (7,371,571)	\$ 1,611,085	\$ 228,235
<u>Adjustments</u>	<u>\$ 37,146,175</u>	<u>\$ 29,290,627</u>	<u>\$ 7,601,696</u>	<u>\$ 253,852</u>
Total Gross Position	\$ 31,613,925	\$ 21,919,057	\$ 9,212,781	\$ 482,088
Transfer All Other (50/50)	\$ 31,613,925	\$ 22,160,100	\$ 9,453,825	\$ -
IBNR Reserve Requirement	\$ 10,363,820	\$ 7,362,510	\$ 3,001,310	\$ -
<u>Stabilization Reserve</u>	<u>\$ 20,835,847</u>	<u>\$ 12,884,129</u>	<u>\$ 7,951,718</u>	<u>\$ -</u>
Total Net Position	\$ 414,258	\$ 1,913,461	\$ (1,499,203)	\$ -
Other Obligations				
COF Seed Money 2010	\$ 887,669			

The SJVIA has a positive position of \$414,258 in reserves after consideration for IBNR reserve and stabilization reserve requirements. The County of Fresno has a \$1,913,461 reserve position while the County of Tulare has (\$1,499,203) reserve position. The “all other entities,” which have not been enrolled in the SJVIA for several years had a \$482,088 surplus position that has been transferred to Fresno County and Tulare County.

ARPA funds that were transferred to the SJVIA for COVID-19 related claims are excluded and need to be confirmed with the SJVIA’s auditor before they can be included in this report.

In 2009, the County of Fresno provided \$887,669 as seed money to launch the SJVIA. This amount remains an SJVIA obligation that has not been repaid. The balance of this report details our findings.

**Medical / RX Premium vs. Total Cost 2018 to 2023**

SJVIA		SJVIA			Fresno			Tulare			All Other		
Reconciliation Report		HMO/EPO	PPO/HDHP	Total	HMO/EPO	PPO/HDHP	Total	HMO	PPO/HDHP	Total	HMO	PPO/HDHP	Total
2018	Premium	\$ 41,235,443	\$ 53,248,943	\$ 94,484,386	\$ 41,225,886	\$ 25,476,557	\$ 66,702,443	\$ 9,557	\$ 26,943,450	\$ 26,953,007	\$ -	\$ 828,936	\$ 828,936
	Total Cost	\$ 41,208,944	\$ 49,140,623	\$ 90,349,567	\$ 41,197,215	\$ 24,246,643	\$ 65,443,858	\$ 7,286	\$ 24,113,209	\$ 24,120,495	\$ 4,443	\$ 780,771	\$ 785,214
	\$ Difference	\$ 26,499	\$ 4,108,320	\$ 4,134,819	\$ 28,671	\$ 1,229,914	\$ 1,258,585	\$ 2,271	\$ 2,830,241	\$ 2,832,512	\$ (4,443)	\$ 48,165	\$ 43,722
	Loss Ratio	99.9%	92.3%	95.6%	99.9%	95.2%	98.1%	76.2%	89.5%	89.5%		94.2%	94.7%
2019	Premium	\$ 42,445,762	\$ 37,625,732	\$ 80,071,494	\$ 42,445,762	\$ 8,764,693	\$ 51,210,455	\$ -	\$ 28,092,399	\$ 28,092,399	\$ -	\$ 768,640	\$ 768,640
	Total Cost	\$ 46,554,527	\$ 30,721,067	\$ 77,275,594	\$ 46,546,713	\$ 3,996,151	\$ 50,542,864	\$ 3,371	\$ 26,150,249	\$ 26,153,620	\$ 4,443	\$ 574,667	\$ 579,110
	\$ Difference	\$ (4,108,765)	\$ 6,904,665	\$ 2,795,900	\$ (4,100,951)	\$ 4,768,542	\$ 667,591	\$ (3,371)	\$ 1,942,150	\$ 1,938,779	\$ (4,443)	\$ 193,973	\$ 189,530
	Loss Ratio	109.7%	81.6%	96.5%	109.7%	45.6%	98.7%		93.1%	93.1%		74.8%	75.3%
2020	Premium	\$ 43,778,298	\$ 38,084,054	\$ 81,862,352	\$ 43,778,298	\$ 8,535,984	\$ 52,314,282	\$ -	\$ 29,548,070	\$ 29,548,070	\$ -	\$ -	\$ -
	Total Cost	\$ 44,079,157	\$ 32,130,887	\$ 76,210,044	\$ 44,072,264	\$ 5,963,676	\$ 50,035,940	\$ -	\$ 26,160,808	\$ 26,160,808	\$ 6,893	\$ 6,403	\$ 13,296
	\$ Difference	\$ (300,859)	\$ 5,953,167	\$ 5,652,308	\$ (293,966)	\$ 2,572,308	\$ 2,278,342	\$ -	\$ 3,387,262	\$ 3,387,262	\$ (6,893)	\$ (6,403)	\$ (13,296)
	Loss Ratio	100.7%	84.4%	93.1%	100.7%	69.9%	95.6%		88.5%	88.5%			
2021	Premium	\$ 44,376,243	\$ 36,871,116	\$ 81,247,359	\$ 44,376,243	\$ 8,566,210	\$ 52,942,453	\$ -	\$ 28,304,906	\$ 28,304,906	\$ -	\$ -	\$ -
	Total Cost	\$ 48,600,411	\$ 34,045,231	\$ 82,645,642	\$ 48,600,411	\$ 5,387,247	\$ 53,987,658	\$ -	\$ 28,657,984	\$ 28,657,984	\$ -	\$ -	\$ -
	\$ Difference	\$ (4,224,168)	\$ 2,825,885	\$ (1,398,283)	\$ (4,224,168)	\$ 3,178,963	\$ (1,045,205)	\$ -	\$ (353,078)	\$ (353,078)	\$ -	\$ -	\$ -
	Loss Ratio	109.5%	92.3%	101.7%	109.5%	62.9%	102.0%		101.2%	101.2%			
2022	Premium	\$ 45,908,995	\$ 35,191,316	\$ 81,100,311	\$ 45,908,995	\$ 7,451,112	\$ 53,360,107	\$ -	\$ 27,740,204	\$ 27,740,204	\$ -	\$ -	\$ -
	Total Cost	\$ 50,524,738	\$ 37,933,759	\$ 88,458,497	\$ 50,524,738	\$ 6,066,019	\$ 56,590,757	\$ -	\$ 31,867,740	\$ 31,867,740	\$ -	\$ -	\$ -
	\$ Difference	\$ (4,615,743)	\$ (2,742,443)	\$ (7,358,186)	\$ (4,615,743)	\$ 1,385,093	\$ (3,230,650)	\$ -	\$ (4,127,536)	\$ (4,127,536)	\$ -	\$ -	\$ -
	Loss Ratio	110.1%	107.8%	109.1%	110.1%	81.4%	106.1%		114.9%	114.9%			
2023	Premium	\$ 50,330,431	\$ 37,829,585	\$ 88,160,016	\$ 50,330,431	\$ 6,995,123	\$ 57,325,554	\$ -	\$ 30,834,462	\$ 30,834,462	\$ -	\$ -	\$ -
	Total Cost	\$ 48,775,059	\$ 38,169,815	\$ 86,944,874	\$ 48,775,059	\$ 4,727,382	\$ 53,502,441	\$ -	\$ 33,442,433	\$ 33,442,433	\$ -	\$ -	\$ -
	\$ Difference	\$ 1,555,372	\$ (340,230)	\$ 1,215,142	\$ 1,555,372	\$ 2,267,741	\$ 3,823,113	\$ -	\$ (2,607,971)	\$ (2,607,971)	\$ -	\$ -	\$ -
	Loss Ratio	96.9%	100.9%	98.6%	96.9%	67.6%	93.3%		108.5%	108.5%			
2010-2023	Premium	\$ 652,564,367	\$ 518,924,072	\$ 1,171,488,439	\$ 617,207,979	\$ 124,940,996	\$ 742,148,975	\$ 10,998,925	\$ 328,015,681	\$ 339,014,606	\$ 24,357,463	\$ 65,967,395	\$ 90,324,858
	Total Cost	\$ 680,375,424	\$ 496,645,265	\$ 1,177,020,689	\$ 642,510,299	\$ 107,010,247	\$ 749,520,546	\$ 12,569,429	\$ 324,834,092	\$ 337,403,521	\$ 25,295,697	\$ 64,800,926	\$ 90,096,623
	\$ Difference	\$ (29,366,429)	\$ 22,619,037	\$ (6,747,392)	\$ (26,857,692)	\$ 15,663,008	\$ (11,194,684)	\$ (1,570,504)	\$ 5,789,560	\$ 4,219,056	\$ (938,234)	\$ 1,166,469	\$ 228,235
	Loss Ratio	104.3%	95.7%	100.5%	104.1%	85.6%	101.0%	114.3%	99.0%	99.5%	103.9%	98.2%	99.7%

**Medical / RX Premium vs. Total Cost 2010 -2017**

SJVIA		SJVIA			Fresno			Tulare			All Other		
Reconciliation Report		HMO/EPO	PPO/HDHP	Total	HMO/EPO	PPO/HDHP	Total	HMO	PPO/HDHP	Total	HMO	PPO/HDHP	Total
2010	Premium	\$ 42,181,416	\$ 26,395,385	\$ 68,576,801	\$ 42,181,416	\$ 8,483,786	\$ 50,665,202	\$ -	\$ 17,911,599	\$ 17,911,599	\$ -	\$ -	\$ -
	Total Cost	\$ 37,720,237	\$ 23,526,473	\$ 61,246,710	\$ 37,720,237	\$ 6,812,938	\$ 44,533,175	\$ -	\$ 16,713,535	\$ 16,713,535	\$ -	\$ -	\$ -
	\$ Difference	\$ 4,461,179	\$ 2,868,912	\$ 7,330,091	\$ 4,461,179	\$ 1,670,848	\$ 6,132,027	\$ -	\$ 1,198,064	\$ 1,198,064	\$ -	\$ -	\$ -
	Loss Ratio	89.4%	89.1%	89.3%	89.4%	80.3%	87.9%		93.3%	93.3%			
2011	Premium	\$ 44,955,847	\$ 26,323,381	\$ 71,279,228	\$ 44,955,847	\$ 7,561,939	\$ 52,517,786	\$ -	\$ 18,761,442	\$ 18,761,442	\$ -	\$ -	\$ -
	Total Cost	\$ 42,591,763	\$ 24,817,680	\$ 67,409,443	\$ 42,591,763	\$ 7,477,950	\$ 50,069,713	\$ -	\$ 17,339,730	\$ 17,339,730	\$ -	\$ -	\$ -
	\$ Difference	\$ 2,364,084	\$ 1,505,701	\$ 3,869,785	\$ 2,364,084	\$ 83,989	\$ 2,448,073	\$ -	\$ 1,421,712	\$ 1,421,712	\$ -	\$ -	\$ -
	Loss Ratio	94.7%	94.3%	94.6%	94.7%	98.9%	95.3%		92.4%	92.4%			
2012	Premium	\$ 42,211,773	\$ 27,077,170	\$ 69,288,943	\$ 42,211,773	\$ 6,809,346	\$ 49,021,119	\$ -	\$ 18,652,690	\$ 18,652,690	\$ -	\$ 1,615,134	\$ 1,615,134
	Total Cost	\$ 42,997,488	\$ 25,487,664	\$ 68,485,152	\$ 42,997,488	\$ 6,376,102	\$ 49,373,590	\$ -	\$ 18,158,890	\$ 18,158,890	\$ -	\$ 952,672	\$ 952,672
	\$ Difference	\$ (785,715)	\$ 1,589,506	\$ 803,791	\$ (785,715)	\$ 433,244	\$ (352,471)	\$ -	\$ 493,800	\$ 493,800	\$ -	\$ 662,462	\$ 662,462
	Loss Ratio	101.9%	94.1%	98.8%	101.9%	93.6%	100.7%		97.4%	97.4%		59.0%	59.0%
2013	Premium	\$ 49,017,156	\$ 29,330,683	\$ 78,347,839	\$ 44,965,190	\$ 6,839,897	\$ 51,805,087	\$ 2,098,473	\$ 18,114,767	\$ 20,213,240	\$ 1,953,493	\$ 4,376,019	\$ 6,329,512
	Total Cost	\$ 51,038,431	\$ 26,286,441	\$ 77,324,872	\$ 48,199,812	\$ 6,294,333	\$ 54,494,145	\$ 2,053,678	\$ 17,539,970	\$ 19,593,648	\$ 784,941	\$ 2,452,138	\$ 3,237,079
	\$ Difference	\$ (2,021,275)	\$ 3,044,242	\$ 1,022,967	\$ (3,234,622)	\$ 545,564	\$ (2,689,058)	\$ 44,795	\$ 574,797	\$ 619,592	\$ 1,168,552	\$ 1,923,881	\$ 3,092,433
	Loss Ratio	104.1%	89.6%	98.7%	107.2%	92.0%	105.2%	97.9%	96.8%	96.9%	40.2%	56.0%	51.1%
2014	Premium	\$ 53,610,500	\$ 33,035,282	\$ 86,645,782	\$ 47,770,525	\$ 6,853,201	\$ 54,623,726	\$ 2,573,539	\$ 18,691,219	\$ 21,264,758	\$ 3,266,436	\$ 7,490,862	\$ 10,757,298
	Total Cost	\$ 55,693,816	\$ 32,311,383	\$ 88,005,199	\$ 50,198,930	\$ 7,451,756	\$ 57,650,686	\$ 2,274,398	\$ 19,647,012	\$ 21,921,410	\$ 3,220,488	\$ 5,212,615	\$ 8,433,103
	\$ Difference	\$ (2,083,316)	\$ 723,899	\$ (1,359,417)	\$ (2,428,405)	\$ (598,555)	\$ (3,026,960)	\$ 299,141	\$ (955,793)	\$ (656,652)	\$ 45,948	\$ 2,278,247	\$ 2,324,195
	Loss Ratio	103.9%	97.8%	101.6%	105.1%	108.7%	105.5%	88.4%	105.1%	103.1%	98.6%	69.6%	78.4%
2015	Premium	\$ 54,154,735	\$ 46,646,481	\$ 100,801,216	\$ 43,026,208	\$ 6,592,106	\$ 49,618,314	\$ 3,126,648	\$ 18,928,110	\$ 22,054,758	\$ 8,001,879	\$ 21,126,265	\$ 29,128,144
	Total Cost	\$ 65,514,244	\$ 47,066,983	\$ 112,581,227	\$ 51,931,320	\$ 6,379,508	\$ 58,310,828	\$ 4,619,688	\$ 19,545,380	\$ 24,165,068	\$ 8,963,236	\$ 21,142,095	\$ 30,105,331
	\$ Difference	\$ (11,359,509)	\$ (420,502)	\$ (11,780,011)	\$ (8,905,112)	\$ 212,598	\$ (8,692,514)	\$ (1,493,040)	\$ (617,270)	\$ (2,110,310)	\$ (961,357)	\$ (15,830)	\$ (977,187)
	Loss Ratio	121.0%	100.9%	111.7%	120.7%	96.8%	117.5%	147.8%	103.3%	109.6%	112.0%	100.1%	103.4%
2016	Premium	\$ 53,526,716	\$ 55,640,763	\$ 109,167,479	\$ 41,546,898	\$ 6,947,403	\$ 48,494,301	\$ 3,171,595	\$ 20,015,806	\$ 23,187,401	\$ 8,808,223	\$ 28,677,554	\$ 37,485,777
	Total Cost	\$ 60,038,503	\$ 61,544,592	\$ 121,583,095	\$ 47,089,638	\$ 7,467,476	\$ 54,557,114	\$ 3,338,010	\$ 21,250,509	\$ 24,588,519	\$ 9,610,856	\$ 32,826,607	\$ 42,437,463
	\$ Difference	\$ (6,511,787)	\$ (5,903,829)	\$ (12,415,616)	\$ (5,542,740)	\$ (520,073)	\$ (6,062,813)	\$ (166,415)	\$ (1,234,703)	\$ (1,401,118)	\$ (802,633)	\$ (4,149,053)	\$ (4,951,686)
	Loss Ratio	112.2%	110.6%	111.4%	113.3%	107.5%	112.5%	105.2%	106.2%	106.0%	109.1%	114.5%	113.2%
2017	Premium	\$ 44,831,052	\$ 35,624,181	\$ 80,455,233	\$ 42,484,507	\$ 9,063,639	\$ 51,548,146	\$ 19,113	\$ 25,476,557	\$ 25,495,670	\$ 2,327,432	\$ 1,083,985	\$ 3,411,417
	Total Cost	\$ 45,038,106	\$ 33,462,667	\$ 78,500,773	\$ 42,064,711	\$ 8,363,066	\$ 50,427,777	\$ 272,998	\$ 24,246,643	\$ 24,519,641	\$ 2,700,397	\$ 852,958	\$ 3,553,355
	\$ Difference	\$ (207,054)	\$ 2,161,514	\$ 1,954,460	\$ 419,796	\$ 700,573	\$ 1,120,369	\$ (253,885)	\$ 1,229,914	\$ 976,029	\$ (372,965)	\$ 231,027	\$ (141,938)
	Loss Ratio	100.5%	93.9%	97.6%	99.0%	92.3%	97.8%	1428.3%	95.2%	96.2%	116.0%	78.7%	104.2%

**Revenue Adjustments** for Prescription drug rebates, Year-end accounting returns, Kaiser margin, Kaiser Parity margin, Delta Dental surplus (as of January 01, 2019), and other return of revenue.

<b>SJVIA Adjustments</b>	<b>SJVIA</b>	<b>Fresno</b>	<b>Tulare</b>	<b>All Other</b>
<b>2010-2017</b>				
HMO YEA	\$ 3,098,036	\$ 2,895,972	\$ 68,315	\$ 133,749
<u>Prescription Drug Rebates</u>	<u>\$ 2,010,245</u>	<u>\$ 1,242,665</u>	<u>\$ 671,170</u>	<u>\$ 96,410</u>
<b>Total</b>	<b>\$ 5,108,281</b>	<b>\$ 4,138,637</b>	<b>\$ 739,485</b>	<b>\$ 230,159</b>
<b>2018</b>				
Prescription Drug Rebates	\$ 408,011	\$ 247,136	\$ 157,776	\$ 3,099
Kaiser Surcharge	\$ 1,155,952	\$ 1,050,119	\$ 98,270	\$ 7,563
Dental Premium Holiday	\$ 362,752	\$ 257,961	\$ 104,791	\$ -
<u>Delta Dental 2.0% Subsidy</u>	<u>\$ 88,672</u>	<u>\$ 63,056</u>	<u>\$ 25,616</u>	<u>\$ -</u>
<b>Total</b>	<b>\$ 2,015,387</b>	<b>\$ 1,618,272</b>	<b>\$ 386,453</b>	<b>\$ 10,662</b>
<b>2019</b>				
Plan Experience (Dental)	\$ 502,530	\$ 380,988	\$ 121,542	\$ -
Prescription Drug Rebates	\$ 1,738,894	\$ 1,137,341	\$ 588,522	\$ 13,031
Kaiser Rate Surcharge	\$ 719,171	\$ 639,496	\$ 79,675	\$ -
<u>Delta Dental PSR Transfer</u>	<u>\$ 948,664</u>	<u>\$ 681,041</u>	<u>\$ 267,623</u>	<u>\$ -</u>
<b>Total</b>	<b>\$ 3,909,259</b>	<b>\$ 2,838,866</b>	<b>\$ 1,057,362</b>	<b>\$ 13,031</b>
<b>2020</b>				
Plan Experience (Dental)	\$ 921,357	\$ 745,908	\$ 175,449	\$ -
Kaiser Rate Surcharge	\$ 820,340	\$ 729,457	\$ 90,884	\$ -
Kaiser EPO Parity Surcharge	\$ 3,644,938	\$ 3,644,938	\$ -	\$ -
Prescription Drug Rebates	\$ 2,508,819	\$ 1,530,379	\$ 978,440	\$ -
<u>Stop Loss Dividend</u>	<u>\$ 111,779</u>	<u>\$ 76,792</u>	<u>\$ 34,987</u>	<u>\$ -</u>
<b>Total</b>	<b>\$ 8,007,234</b>	<b>\$ 6,727,474</b>	<b>\$ 1,279,760</b>	<b>\$ -</b>
<b>2021</b>				
Plan Experience (Dental)	\$ 466,009	\$ 396,414	\$ 69,594	\$ -
Kaiser Rate Surcharge	\$ 788,665	\$ 788,665	\$ -	\$ -
Kaiser EPO Parity Surcharge	\$ 2,469,507	\$ 2,469,507	\$ -	\$ -
Prescription Drug Rebates	\$ 2,725,566	\$ 1,646,927	\$ 1,078,639	\$ -
<u>HMO Final Accounting 2017</u>	<u>\$ 977,819</u>	<u>\$ 977,819</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total</b>	<b>\$ 7,427,565</b>	<b>\$ 6,279,332</b>	<b>\$ 1,148,233</b>	<b>\$ -</b>
<b>2022</b>				
Plan Experience (Dental)	\$ 661,028	\$ 497,581	\$ 163,447	\$ -
Kaiser Rate Surcharge	\$ 398,886	\$ 398,886	\$ -	\$ -
Kaiser EPO Parity Surcharge	\$ 400,516	\$ 400,516	\$ -	\$ -
Prescription Drug Rebates	\$ 2,731,351	\$ 1,551,767	\$ 1,179,584	\$ -
<b>Total</b>	<b>\$ 4,191,781</b>	<b>\$ 2,848,750</b>	<b>\$ 1,343,031</b>	<b>\$ -</b>
<b>2023</b>				
Plan Experience (Dental)	\$ 624,181	\$ 472,269	\$ 151,912	\$ -
Kaiser Rate Surcharge	\$ 396,447	\$ 396,447	\$ -	\$ -
Kaiser EPO Parity Surcharge	\$ 1,971,527	\$ 1,971,527	\$ -	\$ -
Prescription Drug Rebates	\$ 3,494,513	\$ 1,999,053	\$ 1,495,460	\$ -
<b>Total</b>	<b>\$ 6,486,668</b>	<b>\$ 4,839,296</b>	<b>\$ 1,647,372</b>	<b>\$ -</b>
<b>Total 2010 - Sep 2022</b>				
<b>Total</b>	<b>\$ 37,146,175</b>	<b>\$ 29,290,627</b>	<b>\$ 7,601,696</b>	<b>\$ 253,852</b>