

October 16, 2020

## SJVIA Board Meeting: Consultant's Report 2020 Plan Experience (Medical, Dental, and Vision) Through August 2020

The following pages provide a summary of the plan experience from January 1 through August 31, 2020 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).

The SJVIA self-funded plans show a surplus position of \$5,314,550 over the first eight months of 2020. A decrease of \$175,017 from what was reported for June 2020.

Buildup	COF	COT	COM	Total
Medical	\$ 1,942,912	\$ 2,612,014	\$ (14,235)	\$ 4,540,691
Dental	\$ 613,694	\$ 160,165	\$ -	\$ 773,859
Total	\$ 2,556,606	\$ 2,772,179	\$ (14,235)	\$ 5,314,550
<b>Loss Ratio</b>				
Medical	94.4%	86.7%	n/a	91.7%
Dental	73.6%	82.0%	n/a	76.0%
Vision	77.7%	92.8%	n/a	81.8%

The Anthem self-funded medical plan shows an accumulated position of \$4,540,691 for an 91.7% total cost loss ratio through August 31, 2020.

Starting with the 2019 plan year, the SJVIA dental PPO plan changed from a fully insured to a self-funded plan. For the 2020 plan year (through August 31, 2020), the dental program shows an accumulated position of \$773,859 which is a 76.0% total cost loss ratio.

The vision plan remains fully-insured and shows an accumulated position of \$90,707 through August 31, 2020. Under the fully-insured arrangement all deficit or accumulated positions stay with the carrier.

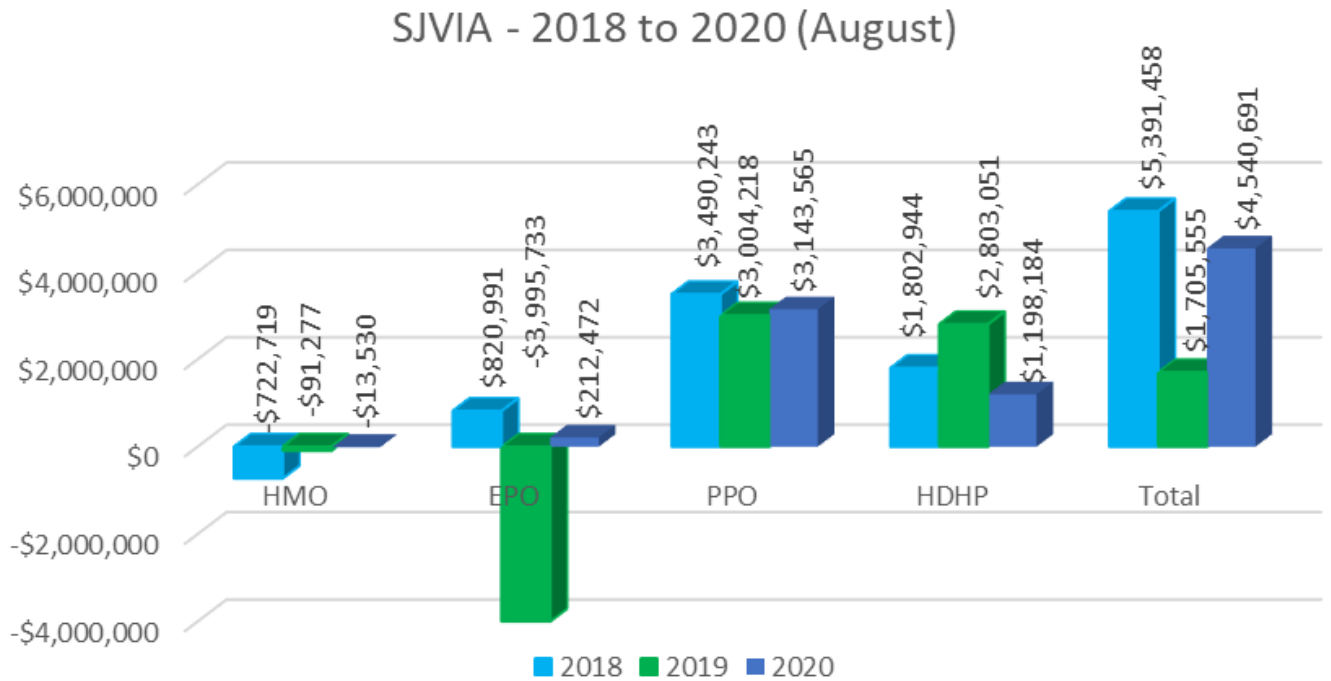
For 2020, the County of Fresno has elected a parity strategy which sets the EPO and Kaiser rates the same. This strategy provides margin on the Kaiser rates which funds a parity reserve to offset deficits on the EPO plan. Keenan estimates that the cumulative Kaiser parity reserve will be \$2.0 million. Through August 2020, the Kaiser parity reserve accumulated \$2,427,432 and over the same time the EPO plan showed an accumulated position of \$212,472.

In June 2020, the SJVIA received the 2018 year-end accounting from its reinsurer Voya. Based on favorable claims experience for claimants with large claim amounts above the \$450,000 pooling level for the 2018 plan year, Voya is providing a \$111,779 premium refund.

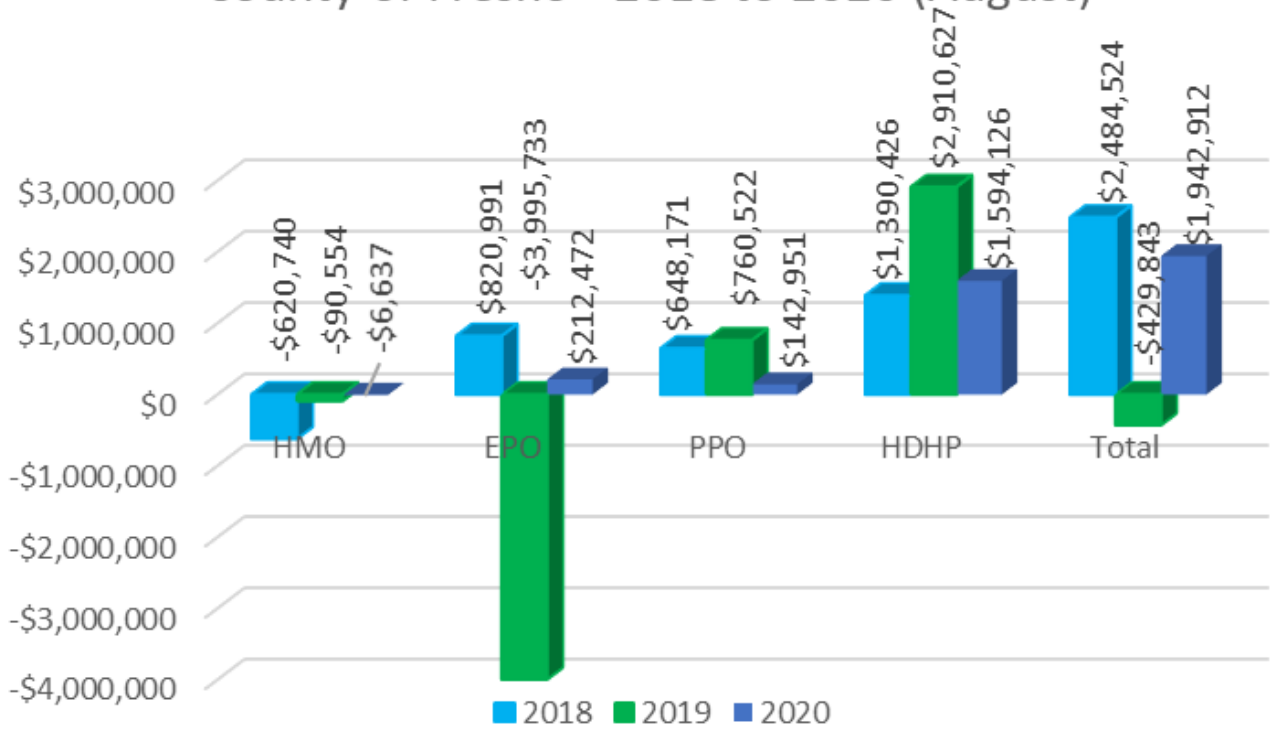
In July 2020, the SJVIA received the EmpiRx 2019 4<sup>th</sup> quarter prescription drug rebate of \$473,497. Additionally, Anthem provided the December 31, 2017 year-end accounting for the HMO plan and provided \$977,819 to the SJVIA.

The SJVIA has a cumulative position over the first six months of 2020 in the amount of \$10,761,177 or 164.2% of the \$6,553,714 total annual reserve projection for the entire year.

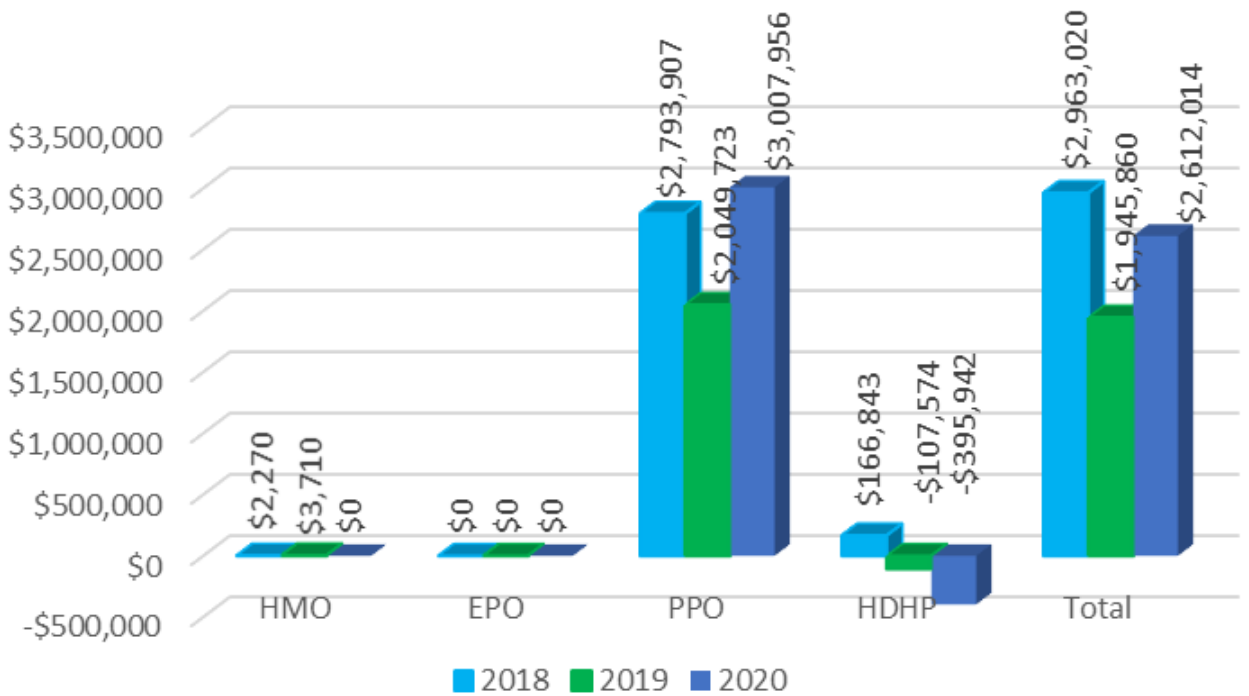
Please note that this is the consultant’s report and prior to allocating funds for IBNR, the stabilization reserve, and to provide loan repayment, the SJVIA Auditor will provide the unaudited cash position based on actual revenue received and actual expenses paid.



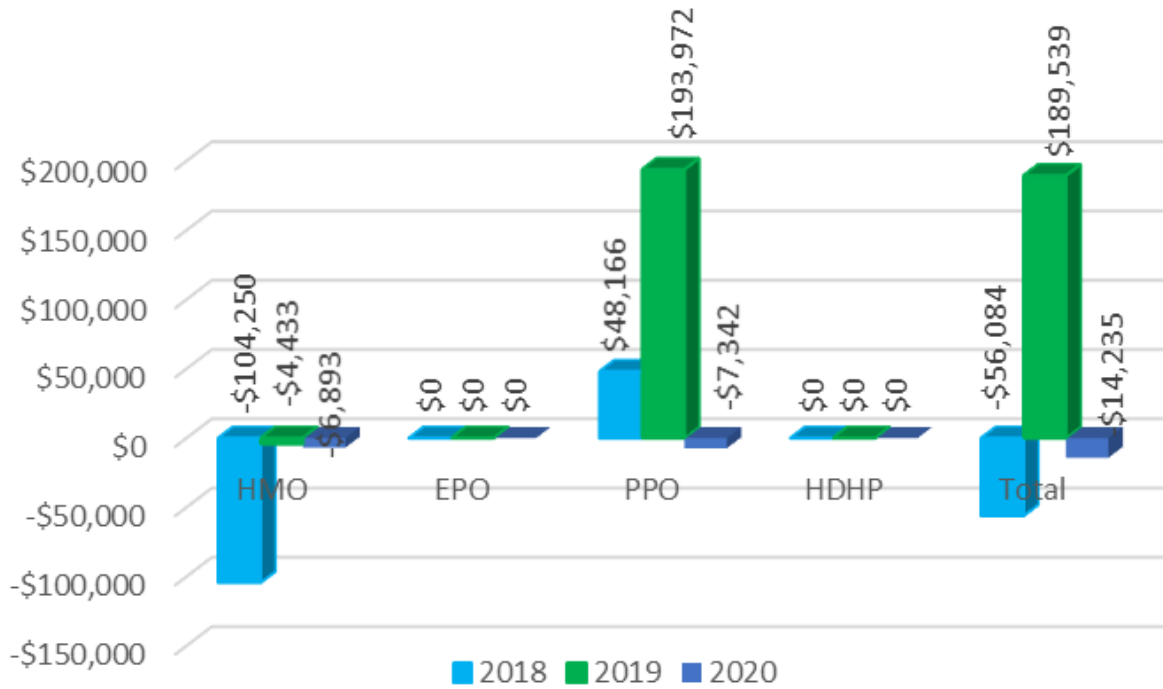
### County of Fresno - 2018 to 2020 (August)



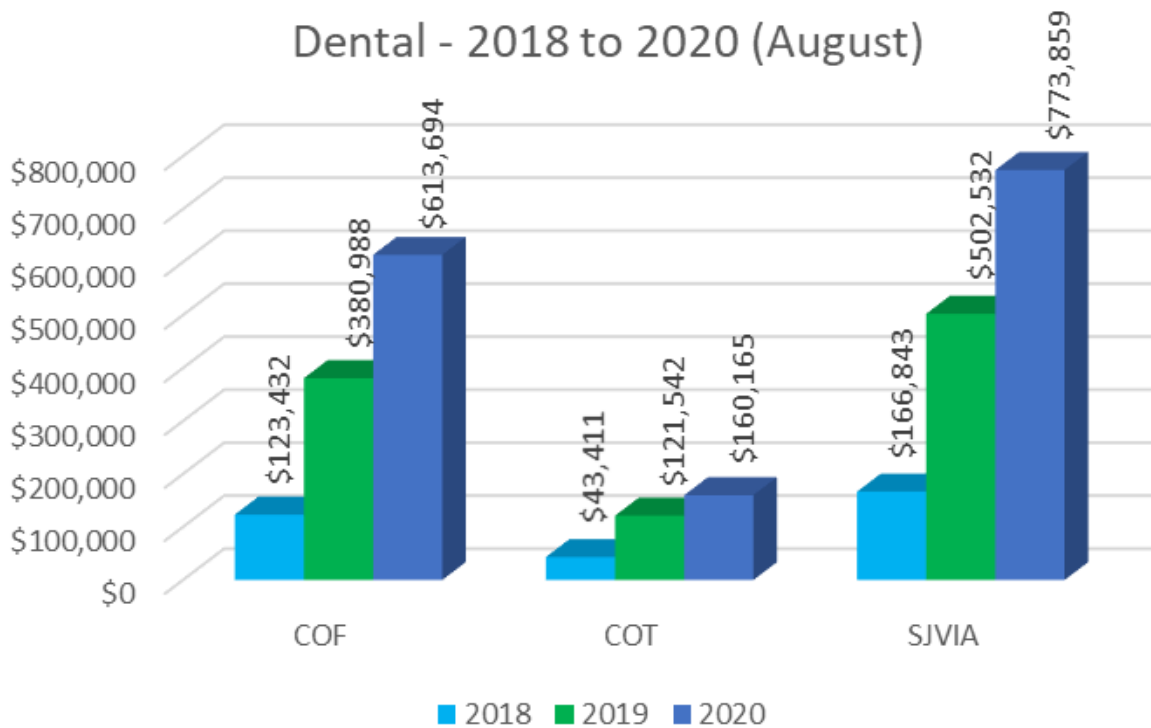
### County of Tulare - 2018 to 2020 (August)



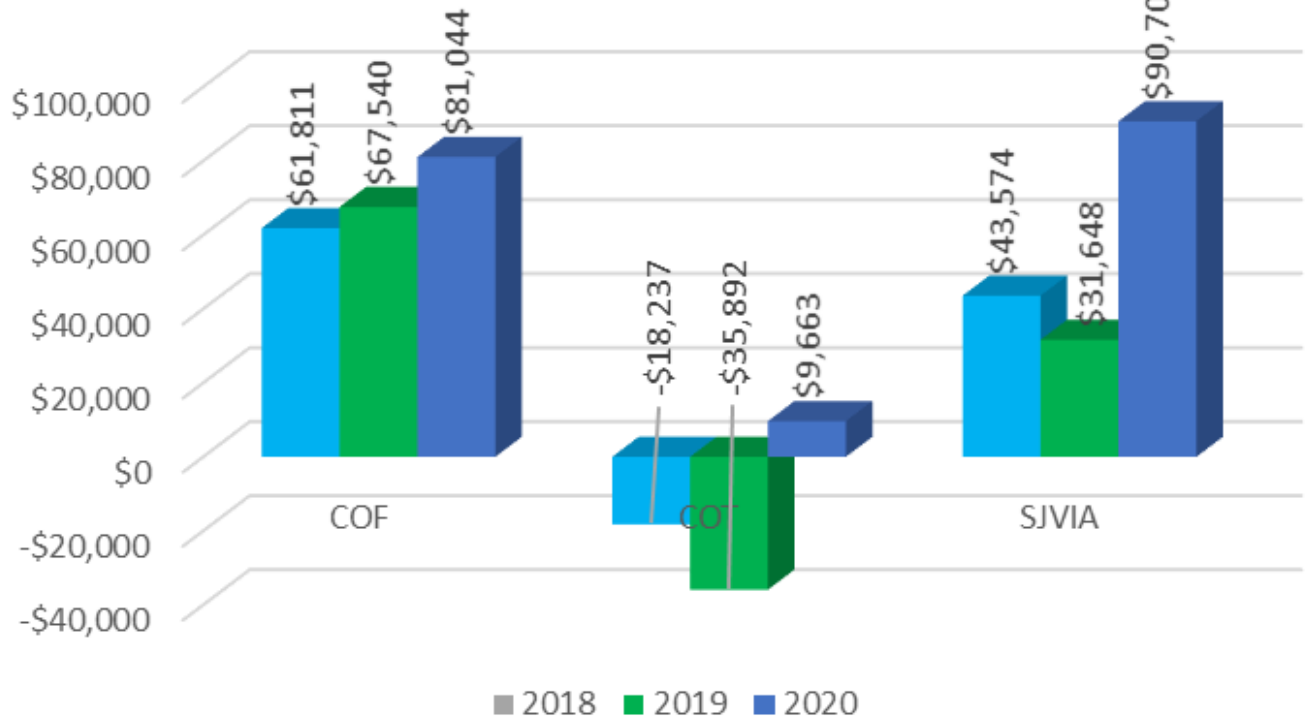
### All Other - 2018 to 2020 (August)



### Dental - 2018 to 2020 (August)



### Vision - 2018 to 2020 (August)



<b>Budget vs. Calculated Accumulation</b>													
<b>2018</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>Total</b>
<b>Budget</b>													
Medical Plan Experience	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 240,122	\$ 2,881,460
Kaiser Rate Surcharge	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 1,155,952
Delta Dental Premium Holiday	\$ 362,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362,752
<u>Delta Dental 2% Rate Subsidy</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 88,672</u>
2018 Budgeted Reserve Buildup	\$ 706,592	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 343,840	\$ 4,488,836
<b>Actual</b>													
Medical Plan Experience	\$ 1,534,858	\$ 1,400,750	\$ (989,574)	\$ 480,446	\$ 8,084	\$ 578,056	\$ 255,195	\$ (80,220)	\$ 1,069,414	\$ (6,979)	\$ 164,822	\$ 976,606	\$ 5,391,458
Kaiser Rate Surcharge	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 96,329	\$ 1,155,952
Prescription Drug Rebates*	\$ -	\$ -	\$ 231,170	\$ 3,705	\$ -	\$ 173,044	\$ -	\$ -	\$ -	\$ 112	\$ -	\$ -	\$ 408,031
Delta Dental Premium Holiday	\$ 362,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362,752
<u>Delta Dental 2% Rate Subsidy</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 7,389</u>	<u>\$ 88,672</u>
2018 Actual Reserve Buildup	\$ 2,001,329	\$ 1,504,469	\$ (654,685)	\$ 587,869	\$ 111,803	\$ 854,819	\$ 358,914	\$ 23,499	\$ 1,173,133	\$ 96,852	\$ 268,541	\$ 1,080,325	\$ 7,406,865
<b>2019</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>Total</b>
<b>Budget</b>													
Plan Experience	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 273,618	\$ 3,283,410
Kaiser Rate Surcharge	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 719,171
<u>Delta Dental PSR Transfer</u>	<u>\$ 398,199</u>	<u>\$ 265,466</u>	<u>\$ 132,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 796,398</u>
2019 Budgeted Accumulation	\$ 731,747	\$ 599,014	\$ 466,281	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 333,548	\$ 4,798,979
<b>Calculated</b>													
Plan Experience (Medical)	\$ 266,540	\$ 571,444	\$ (526,484)	\$ (116,911)	\$ 556,905	\$ 555,716	\$ (807,303)	\$ 9,423	\$ 97,325	\$ (74,071)	\$ 403,481	\$ 769,490	\$ 1,705,555
Plan Experience (Dental)	\$ 69,763	\$ 25,643	\$ 41,648	\$ 27,807	\$ (4,548)	\$ 56,692	\$ 72,159	\$ (21,223)	\$ 65,340	\$ (30,719)	\$ 75,246	\$ 124,724	\$ 502,532
Prescription Drug Rebates*	\$ 382,100	\$ -	\$ 303,186	\$ 343,529	\$ -	\$ -	\$ 309,695	\$ -	\$ -	\$ 400,385	\$ -	\$ -	\$ 1,738,894
Kaiser Rate Surcharge	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 59,931	\$ 719,171
<u>Delta Dental PSR Transfer</u>	<u>\$ 379,822</u>	<u>\$ 379,190</u>	<u>\$ 189,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 948,664</u>
2019 Calculated Accumulation	\$ 1,158,156	\$ 1,036,208	\$ 67,932	\$ 314,356	\$ 612,288	\$ 672,339	\$ (365,518)	\$ 48,131	\$ 222,596	\$ 355,526	\$ 538,658	\$ 954,145	\$ 5,614,816
<b>2020</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>Total</b>
<b>Budget</b>													
Plan Experience (Medical)	\$ 168,530	\$ 168,530	\$ 168,530	\$ 168,530	\$ 168,530	\$ 168,530	\$ 168,530	\$ 168,530	\$ 168,530	\$ 168,530	\$ 168,530	\$ 168,530	\$ 2,022,355
Plan Experience (Dental)	\$ 6,991	\$ 6,991	\$ 6,991	\$ 6,991	\$ 6,991	\$ 6,991	\$ 6,991	\$ 6,991	\$ 6,991	\$ 6,991	\$ 6,991	\$ 6,991	\$ 83,897
Kaiser Accumulation	\$ 68,981	\$ 68,981	\$ 68,981	\$ 68,981	\$ 68,981	\$ 68,981	\$ 68,981	\$ 68,981	\$ 68,981	\$ 68,981	\$ 68,981	\$ 68,981	\$ 827,773
Kaiser EPO Parity Accumulation	\$ 168,307	\$ 168,307	\$ 168,307	\$ 168,307	\$ 168,307	\$ 168,307	\$ 168,307	\$ 168,307	\$ 168,307	\$ 168,307	\$ 168,307	\$ 168,307	\$ 2,019,689
<u>Prescription Drug Rebates</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 1,600,000</u>
2020 Budgeted Accumulation	\$ 412,810	\$ 412,810	\$ 812,810	\$ 412,810	\$ 412,810	\$ 812,810	\$ 412,810	\$ 412,810	\$ 812,810	\$ 412,810	\$ 412,810	\$ 812,810	\$ 6,553,714
<b>Calculated</b>													
Plan Experience (Medical)	\$ 719,955	\$ 1,022,844	\$ (107,282)	\$ 961,782	\$ 1,013,371	\$ 1,186,760	\$ 229,036	\$ (485,775)					\$ 4,540,691
Plan Experience (Dental)	\$ 7,830	\$ (1,602)	\$ 71,933	\$ 244,874	\$ 251,996	\$ 117,106	\$ (2,167)	\$ 83,889					\$ 773,859
Kaiser Accumulation	\$ 67,723	\$ 67,721	\$ 67,742	\$ 67,653	\$ 68,624	\$ 69,209	\$ 68,940	\$ 68,709					\$ 546,320
Kaiser EPO Parity Accumulation	\$ 300,988	\$ 301,602	\$ 301,286	\$ 300,610	\$ 305,046	\$ 307,708	\$ 305,644	\$ 304,548					\$ 2,427,432
Prescription Drug Rebates	\$ -	\$ 444,726	\$ -	\$ -	\$ 465,054	\$ -	\$ 473,497	\$ -					\$ 1,383,277
<u>Other</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,779</u>	<u>\$ 977,819</u>	<u>\$ -</u>					<u>\$ 1,089,598</u>
2020 Calculated Accumulation	\$ 1,096,496	\$ 1,835,290	\$ 333,678	\$ 1,574,919	\$ 2,104,091	\$ 1,792,562	\$ 2,052,769	\$ (28,629)	\$ -	\$ -	\$ -	\$ -	\$ 10,761,177

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