



**BOARD OF DIRECTORS**

STEVE BRANDAU  
KUYLER CROCKER  
NATHAN MAGSIG  
BUDDY MENDES  
BRIAN PACHECO  
AMY SHUKLIAN  
PETE VANDER POEL

**Meeting Location:  
Board of Supervisors Chambers  
2281 Tulare Street, #301  
Fresno, CA 93721**

**AGENDA DATE:** October 16, 2020

**ITEM NUMBER:** Item 10

**SUBJECT:** Receive Consultant's Medical, Dental, and Vision Experience Reports through August 2020 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 August 2020 and update on projected plan experience accumulation.

**DESCRIPTION:**

The report shows that on a total cost basis from January through August 2020, the medical premium of \$54,551,670 exceeded total cost of \$50,010,978 for an accumulation of \$4,540,691, or a 91.7% loss ratio. It is important to note that plan experience during the COVID-19 pandemic is unprecedented as is how experience will be after the pandemic.

The dental PPO plan became self-insured in 2019. The report shows that on a total cost basis, the dental premium of \$3,217,608 exceeded total cost of \$2,443,750 for an accumulation of \$773,859, or a 76.0% loss ratio.

The vision plan remains fully-insured and has an accumulation of \$90,705. Under the fully-insured arrangement all deficit or surplus positions stay with the carrier.

Keenan projected a \$6,553,714 accumulation for the 2020 plan year. The accumulation is built from premium exceeding plan costs, built-in margin on the Kaiser plan, prescription drug rebates, and other sources. In total, \$10,761,177 or 164.2% of the annual total has been realized through August 2020.

**AGENDA:** San Joaquin Valley Insurance Authority


**DATE:** October 16, 2020

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

**FISCAL IMPACT/FINANCING:**

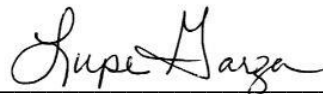
The 2020 plan year experience through August developed a \$4,540,691 medical accumulation and a \$773,859 dental accumulation for a total of \$5,314,550. These numbers include the realization of IBNR as paid claims for groups and coverage that have terminated. The addition of the prescription drug rebates of \$1,383,277, Kaiser reserve of \$546,320, and Kaiser EPO parity reserve of \$2,427,432, Voya 2018 year-end accounting on reinsurance of \$111,779, and the Anthem 2017 HMO final-accounting of \$977,819 brings the collective total reserve accumulation up to \$10,761,177 (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:**



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Paul Nerland  
SJVIA Manager



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Lupe Garza  
SJVIA Assistant Manager