

**Meeting Location:
County of Fresno
Board of Supervisors Chambers
2281 Tulare Street, #301
Fresno, CA 93721
November 8, 2019 9:00 AM**

AGENDA DATE: February 21, 2020

ITEM NUMBER: Item 12

SUBJECT: Receive Consultant's Medical, Dental, and Vision Experience Reports through December 2019 with Update on Reserve Accumulation and Projections (I)

REQUEST(S): That the Board receive the consultant's medical, dental, and vision experience reports through December 2019 and update on reserve accumulation and projections.

DESCRIPTION:

The report shows that on a total cost basis from January through December 2019, the medical premium of \$80,071,495 exceeded total cost of \$78,365,898 for a surplus position of \$1,705,597, or a 97.9% loss ratio.

The dental PPO plan became self-insured with the 2019 plan year. The report shows that on a total cost basis, the dental premium of \$4,609,557 exceeded total cost of \$4,107,025 for a surplus position of \$502,532 or an 89.1% loss ratio.

The vision plan remains fully-insured and is in a surplus position of \$31,648. Under the fully-insured arrangement all deficit or surplus positions stay with the carrier.

Keenan projected a \$4,798,979 surplus position for the 2019 plan year. The surplus is built from premium exceeding plan costs, built in margin on the Kaiser plan, the transference of the Delta Dental Premium Stabilization Reserve (PSR), prescription drug rebates and other funds realized from the prescription drug program. In total \$5,614,816 (117.2%) has been realized for 2019. Please note that this is the consultant's report. Prior to allocating funds for IBNR, the stabilization reserve, and to provide loan repayment, the SJVIA

AGENDA: San Joaquin Valley Insurance Authority

DATE: February 21, 2020

Auditor will provide the unaudited reserve accumulation based on actual revenue received and actual expenses paid.

FISCAL IMPACT/FINANCING:

The 2019 plan year experience developed a \$1,705,555 medical surplus and a \$502,532 dental surplus for a total of \$2,208,087. 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 \$1,738,894, Kaiser Surcharge of \$719,171 and the Delta Dental PSR transfer of \$948,664 brings the collective total reserve accumulation up to \$5,614,816 (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:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager