

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Avenue
Visalia, CA 93291**

AGENDA DATE: May 8, 2020

ITEM NUMBER: Item 17

SUBJECT: Receive Consultant's Report on COVID-19 Cost Impact Analysis (I)

REQUEST(S): That the Board receive the Consultant's analysis on COVID-19 cost impact.

DESCRIPTION:

Keenan's parent company Assured Partners developed a model to determine the dollar cost impact of COVID-19 on the SJVIA. The model was developed by one of Assured Partner's affiliated offices that has the actuarial capabilities and specializes in healthcare. Many of the factors used came from WHO, STAT, and APBA claims analysis. The model is specifically defined in its purpose in calculating the COVID-19 cost impact on health plans. Keenan's intent of presenting this model is for the SJVIA to gain 100% confidence in the model's outcome, and it should be considered as a point of reference as more indicators are developed and their cost impacts are evaluated. However, please note that the COVID-19 pandemic has been an unprecedented and rapidly changing situation and costs could exceed this model's projections.

The cost impact is stratified by the infection rate. Keenan entered the SJVIA's demographic profile to determine the cost impact. Should the infection rate remain at 10% or below, the COVID-19 would produce a cost savings as non-essential healthcare services are not received. If the infection rate rises above 10%, COVID-19 would have a cost impact on the SJVIA.

FISCAL IMPACT/FINANCING:

Fiscal impact is dependent upon the infection rate as illustrated in the chart below.

AGENDA: San Joaquin Valley Insurance Authority

DATE: May 8, 2020

Infection Rate	Direct COVID-19 Claims	Non-Essential Claims Offset	Estimated Months Offset	Total Claim Cost Impact
0.1%	\$ 45,077	\$ 2,260,299	2.43	\$ (2,215,222)
0.5%	\$ 225,385	\$ 3,167,689	3.40	\$ (2,942,305)
1.0%	\$ 450,769	\$ 3,558,481	3.82	\$ (3,107,712)
2.0%	\$ 901,539	\$ 3,949,273	4.24	\$ (3,047,734)
5.0%	\$ 2,253,847	\$ 4,465,872	4.79	\$ (2,212,025)
10.0%	\$ 4,507,693	\$ 4,856,663	5.21	\$ (348,970)
15.0%	\$ 6,761,540	\$ 5,085,262	5.46	\$ 1,676,278
20.0%	\$ 9,015,387	\$ 5,247,455	5.63	\$ 3,767,931
25.0%	\$ 11,269,233	\$ 5,373,262	5.77	\$ 5,895,971

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager