



BOARD OF DIRECTORS

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

**Meeting Location:
County of Fresno
Plaza Ballroom
2220 Tulare Street
Fresno, CA 93721**

AGENDA DATE: July 17, 2020

ITEM NUMBER: Item 12

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

DESCRIPTION:

The report shows that on a total cost basis from January through May 2020, the medical premium of \$34,104,041 exceeded total cost of \$30,300,344 for a projected plan experience surplus position of \$3,803,697, or a 88.8% loss ratio.

The dental PPO plan became self-insured in 2019. The report shows that on a total cost basis, the dental premium of \$2,008,871 exceeded total cost of \$1,433,841 for a projected plan experience surplus position of \$575,030 or a 71,4% loss ratio.

The vision plan remains fully-insured and is has a surplus position of - \$72,737. Under the fully-insured arrangement all deficit or surplus positions stay with the carrier.

Keenan projected a \$6,553,714 plan experience surplus position for the 2020 plan year. Keenan projected a plan experience surplus to be built from premium exceeding plan costs, built in margin on the Kaiser plan, prescription drug rebates and other sources. In total, \$8,700,596 (132.8%) in plan experience surplus position may be attributed to January through May for plan year 2020.

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 17, 2020

Please note this is the consultant's report and projection of plan performance, not a statement of actual revenue received or actual expenses paid.

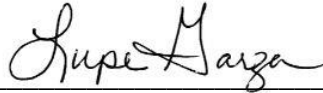
FISCAL IMPACT/FINANCING:

The 2020 plan year experience through May developed a \$3,803,697 medical surplus and a \$575,030 dental surplus for a total of \$4,378,727. 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 plan experience surplus of \$339,462, and Kaiser EPO parity plan experience surplus of \$1,509,532, Voya 2019 year-end accounting on reinsurance of \$111,779, and the Anthem 2017 HMO final-accounting of \$977,819 brings the collective total plan experience surplus accumulation up to \$8,700,596.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
Acting SJVIA Manager



Lupe Garza
Interim SJVIA Assistant Manager