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July 17, 2020

**SJVIA Board Meeting: Consultant’s Report 2020 Plan Experience (Medical, Dental, and Vision) Through May 2020**

The following pages provide a summary of the plan experience from January 1 through May 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 showed a surplus position of \$4,378,727 over the first five months of 2020.

<b>Buildup</b>	<b>COF</b>	<b>COT</b>	<b>COM</b>	<b>Total</b>
Medical	\$ 1,828,128	\$ 1,983,399	\$ (7,830)	\$ 3,803,697
Dental	\$ 462,306	\$ 112,724	\$ -	\$ 575,030
Total	\$ 2,290,434	\$ 2,096,123	\$ (7,830)	\$ 4,378,727
Loss Ratio				
Medical	91.6%	83.9%	n/a	88.8%
Dental	68.2%	79.7%	n/a	71.4%
Vision	72.8%	87.0%	n/a	76.7%

The Anthem self-funded medical plan showed a surplus position of \$3,803,697 for an 88.8% total cost loss ratio through May 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 May 31, 2020), the dental program showed a surplus position of \$575,030 which is a 71.4% cost loss ratio.

The vision plan remains fully-insured and shows a surplus position of \$72,738 through May 31, 2020. Under the fully-insured arrangement all deficit or surplus positions stay with the carrier.

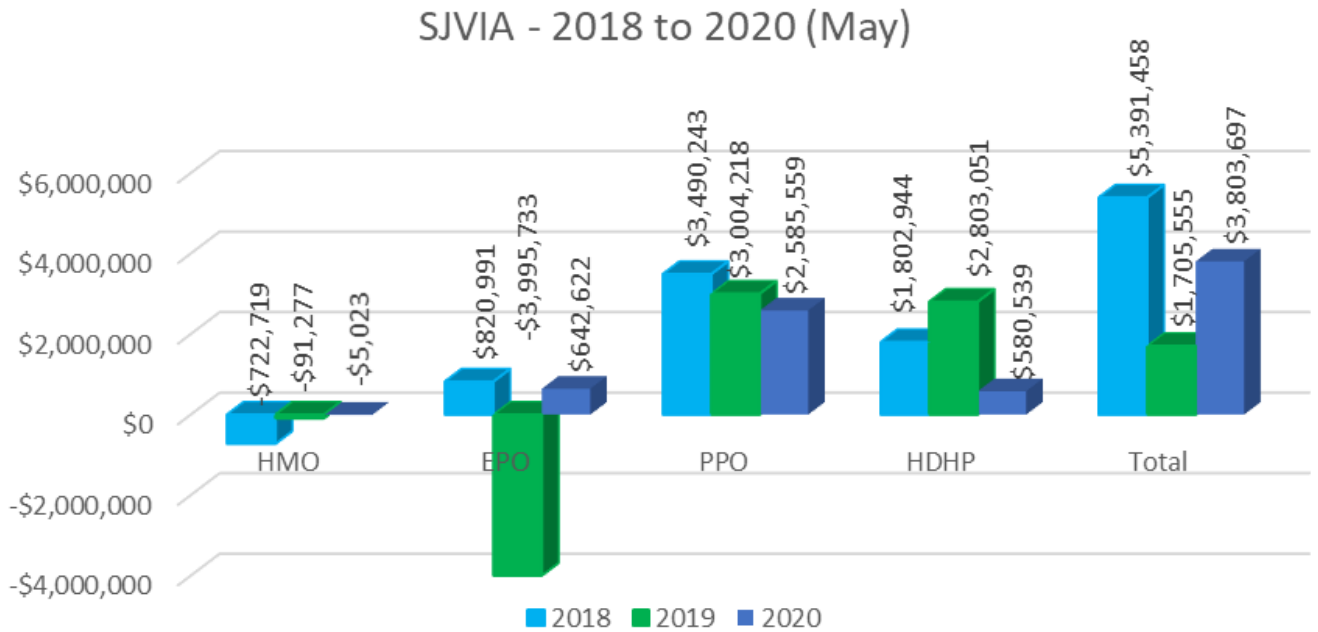
For 2020, the County of Fresno has elected a parity strategy which sets the EPO and Kaiser rates the same. This strategy provides margin on the Kaiser rates which funds a parity reserve to offset deficits on the EPO plan. Keenan estimates that the cumulative Kaiser parity reserve will be \$2.0 million. Through May 2020, the Kaiser parity reserve accumulated \$1,509,523 and over the same time the EPO plan showed a surplus position of \$642,622.

The SJVIA has a cumulative surplus position over the first five months of 2020 in the amount of \$7,137,501 or 108.9% of the \$6,553,714 total annual reserve projection for the entire year.

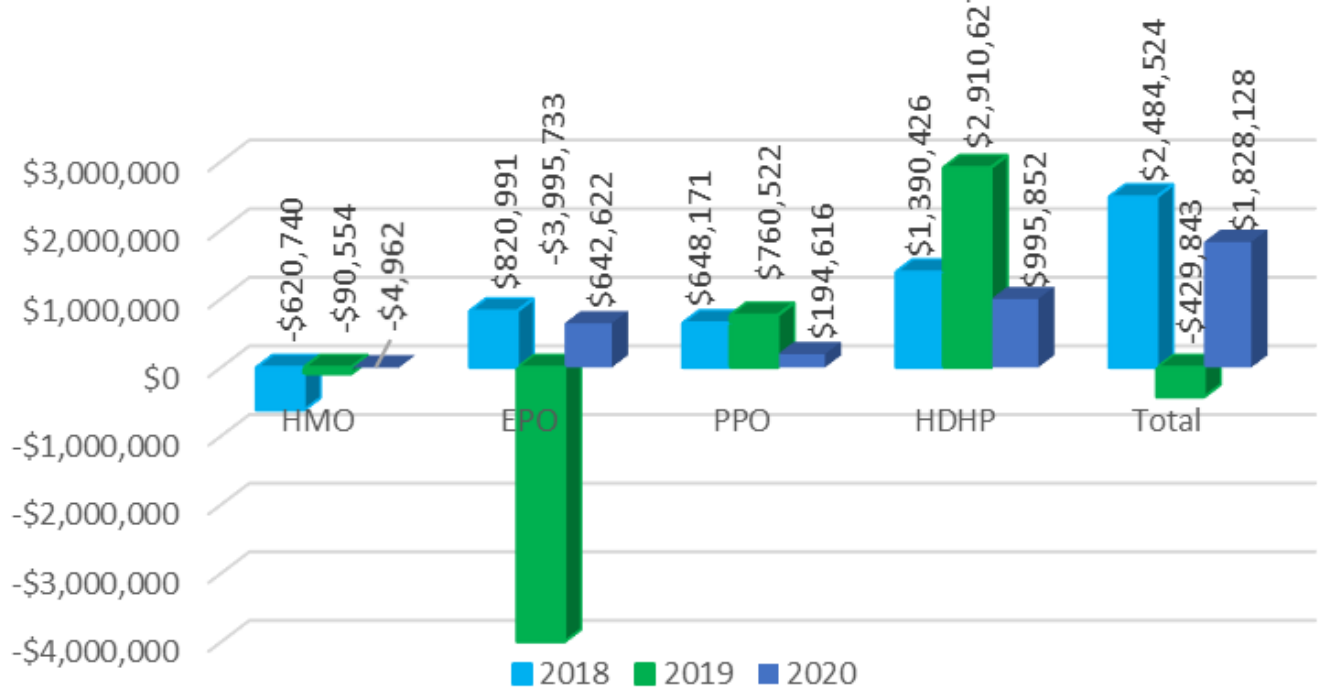
In June 2020, the SJVIA received the 2018 year-end accounting from its reinsurer Voya. Based on favorable claims experience for claimants with large claim amounts above the \$450,000 pooling level for the 2018 plan year, Voya is providing a \$111,779 premium refund.

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 \$977,813 to the SJVIA.

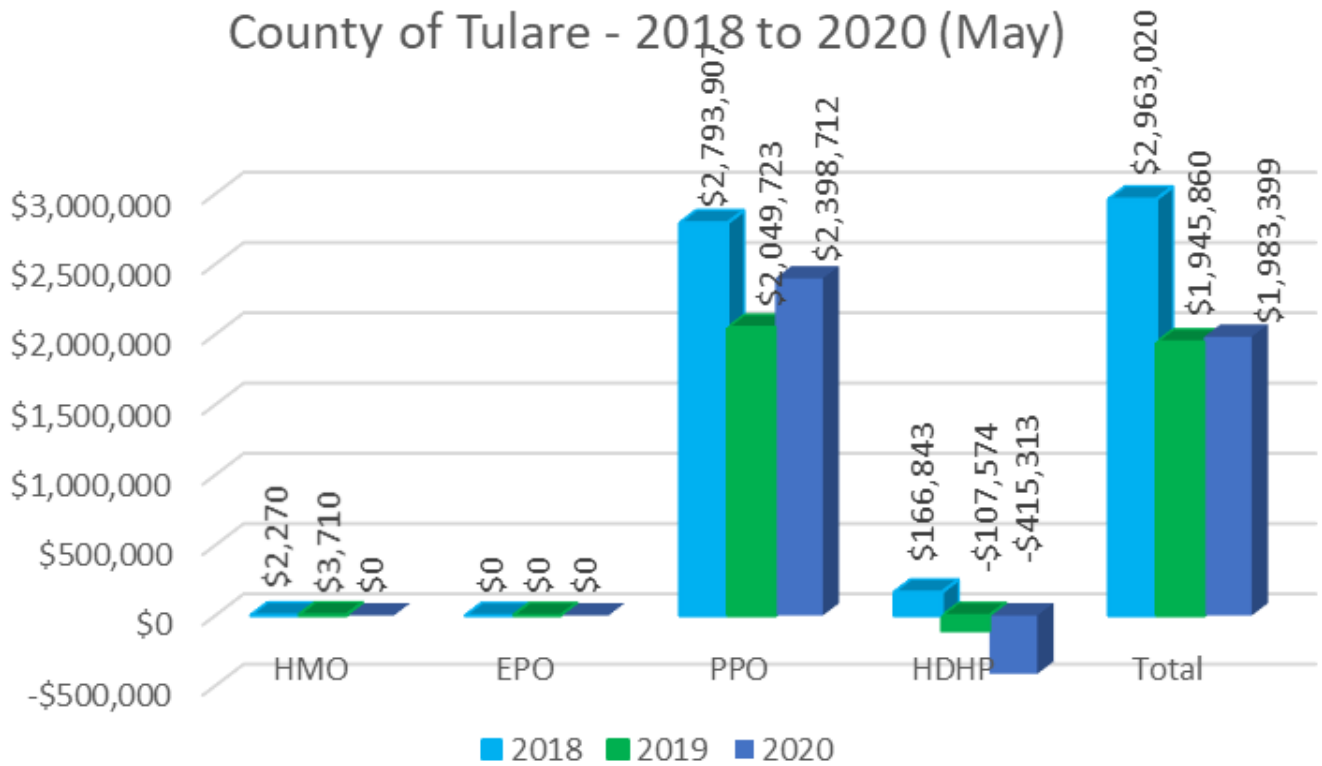
Please note that this is the consultant's report and prior to allocating funds for IBNR, the stabilization reserve, and to provide loan repayment, the SJVIA Auditor will provide the unaudited cash position based on actual revenue received and actual expenses paid.



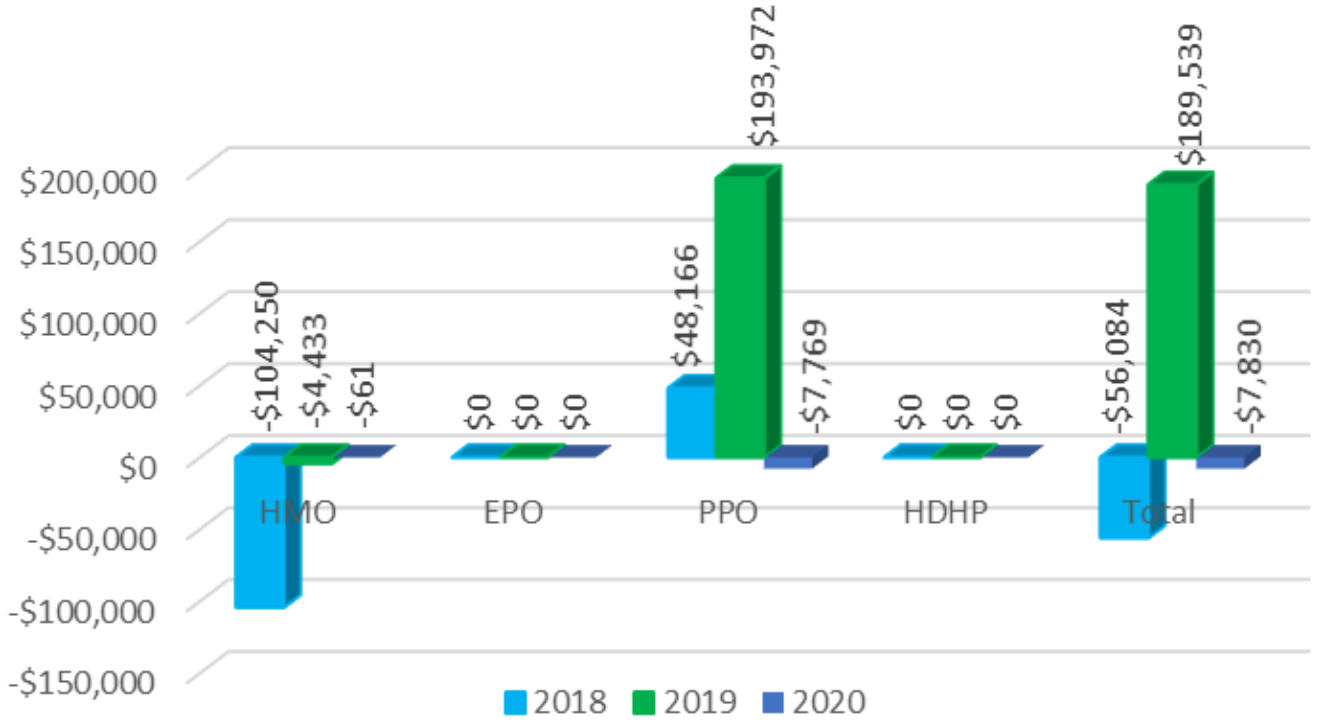
### County of Fresno - 2018 to 2020 (May)



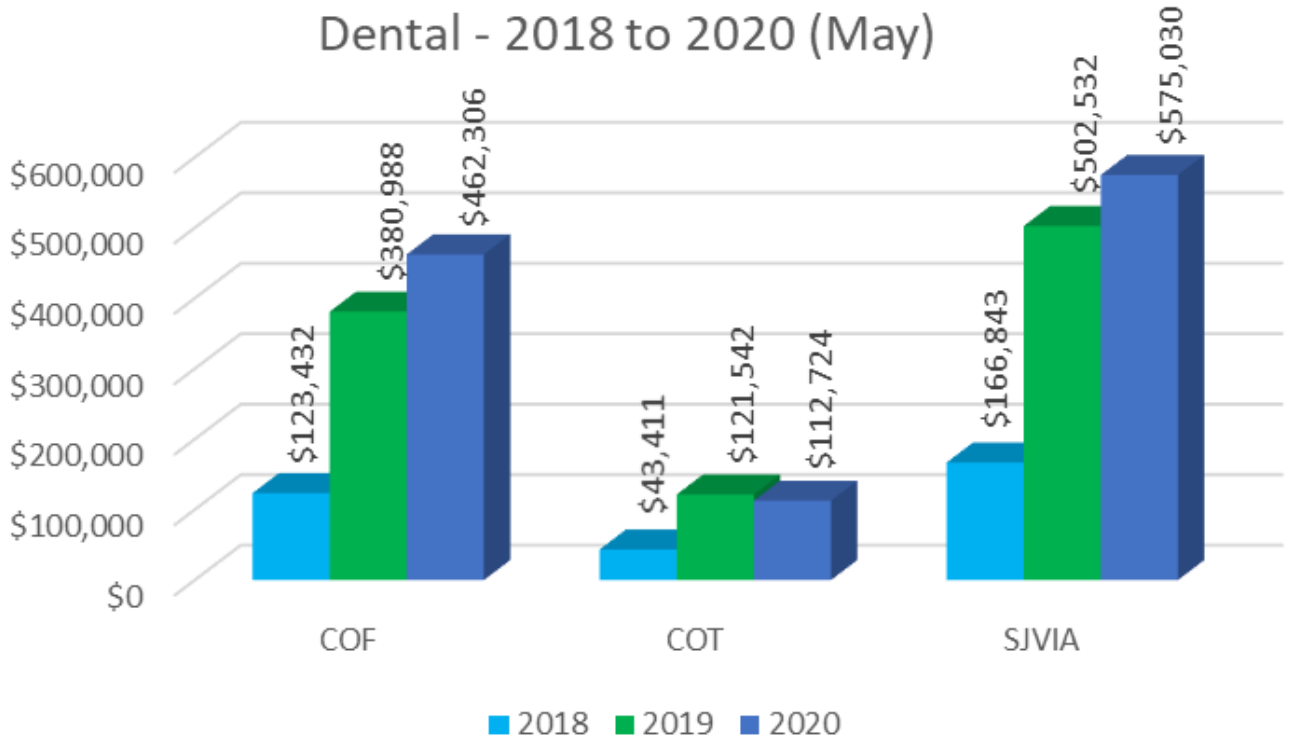
### County of Tulare - 2018 to 2020 (May)



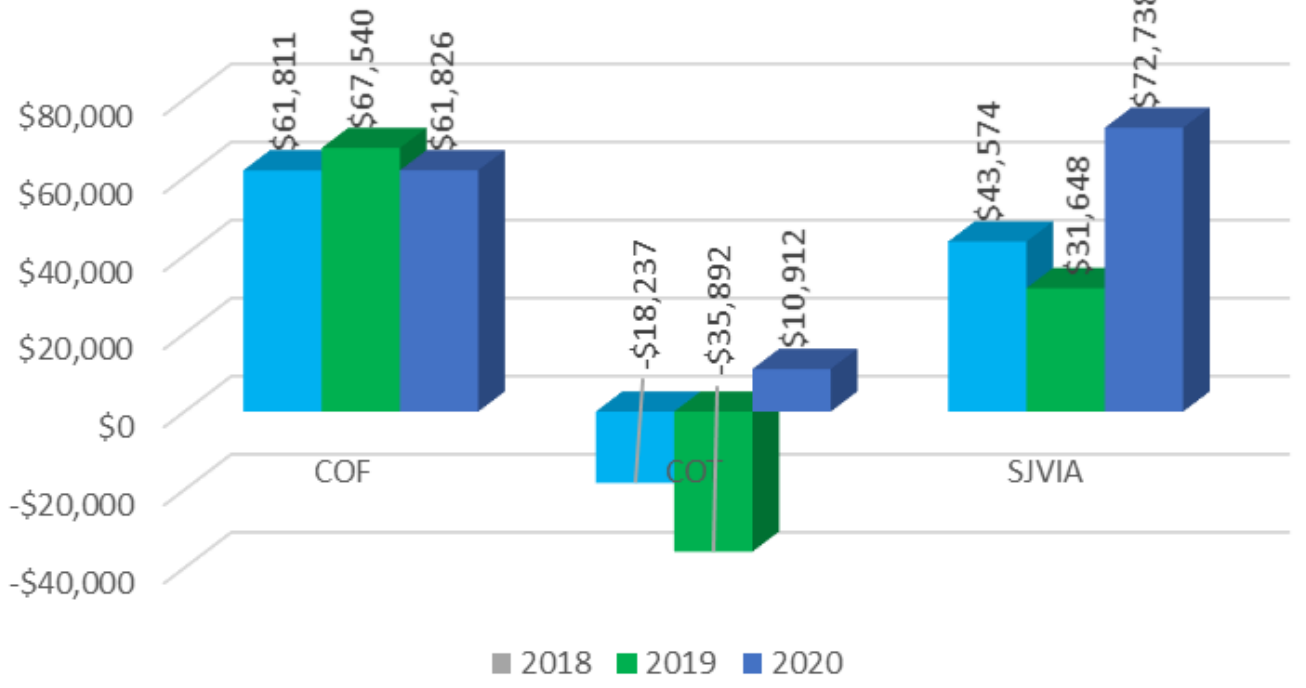
### All Other - 2018 to 2020 (May)



### Dental - 2018 to 2020 (May)



### Vision - 2018 to 2020 (May)



Reserve Accumulation /Funding Model													
2019	January	February	March	April	May	June	July	August	September	October	November	December	Total
<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
Delta Dental PSR Transfer	\$ 398,199	\$ 265,466	\$ 132,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 796,398
2019 Budgeted Reserve Buildup	\$ 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>Actual</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
Delta Dental PSR Transfer	\$ 379,822	\$ 379,190	\$ 189,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 948,664
2019 Actual Reserve Buildup	\$ 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
2020	January	February	March	April	May	June	July	August	September	October	November	December	Total
<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 Reserve 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
Prescription Drug Rebates	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ 1,600,000
2020 Budgeted Reserve Buildup	\$ 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>Actual</b>													
Plan Experience (Medical)	\$ 719,955	\$ 1,022,844	\$ (107,282)	\$ 1,154,809	\$ 1,013,371								\$ 3,803,697
Plan Experience (Dental)	\$ 7,830	\$ (1,602)	\$ 71,933	\$ 244,874	\$ 251,995								\$ 575,030
Kaiser Reserve Accumulation	\$ 67,723	\$ 67,721	\$ 67,742	\$ 67,653	\$ 68,624								\$ 339,462
Kaiser EPO Parity Accumulation	\$ 300,988	\$ 301,602	\$ 301,286	\$ 300,610	\$ 305,046								\$ 1,509,532
Prescription Drug Rebates	\$ -	\$ 444,726	\$ -	\$ -	\$ 465,054		\$ 473,497						\$ 1,383,277
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,779	\$ 977,819						\$ 1,089,598
2020 Actual Reserve Buildup	\$ 1,096,496	\$ 1,835,290	\$ 333,678	\$ 1,767,946	\$ 2,104,090	\$ 111,779	\$ 1,451,316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,700,596

The chart above shows budgeted reserve buildup to realized buildup based on plan experience for 2020. For 2020, the SJVIA budgeted accumulation is \$6,553,714. This includes \$2,019,689 on the County of Fresno’s Kaiser plan which is specifically setup to offset any 2020 deficit position of the County of Fresno’s EPO plan.

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