

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

AGENDA DATE: October 15, 2021

ITEM NUMBER: Item 10

SUBJECT: Receive Consultant's Medical, Dental, and Vision Experience Reports through August 2021 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 2021 and update on projected plan experience accumulation.

DESCRIPTION:

The consultant's report shows that on a total cost basis from January through August 2021, the self-insured medical premium of \$54,253,725 exceeded total cost of \$52,925,444 for an accumulation of \$1,328,280, or a 97.6% loss ratio. It is important to note that plan experience during the COVID-19 pandemic is unprecedented as well as how the plan experience will react after the pandemic.

For the self-insured dental, the report shows that on a total cost basis, the dental premium of \$3,187,337 exceeded total cost of \$2,936,952 for an accumulation of \$250,385, or a 92.14% loss ratio.

The vision plan remains fully insured and has an accumulation of \$33,449. Under the fully insured arrangement all deficit or surplus positions stay with the carrier.

Keenan projected an \$8,821,449 accumulation for the 2021 plan year. The accumulation is built from premium exceeding plan costs, built-in margin on the Kaiser plan, prescription drug rebates, and other sources. As of August 31, 2021, \$5,162,252 or 58.5% of the annual total has been realized for the 2021 plan year.

AGENDA: San Joaquin Valley Insurance Authority

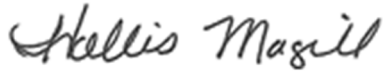
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Please note this is the consultant's report and, prior to allocating funds for IBNR and stabilization reserves and to provide loan repayment, the SJVIA Auditor will provide the unaudited reserve accumulation based on actual revenue received and actual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

FISCAL IMPACT/FINANCING:

The 2021 plan year experience through August developed a \$1,328,280 medical accumulation and a \$250,385 dental accumulation for a total of \$1,578,665. The addition of the Kaiser reserve of \$529,202, the Kaiser EPO parity reserve of \$1,657,540, and the prescription drug rebates of \$1,396,846 brings the collective total reserve accumulation up to \$5,162,252 (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:



Hollis Magill
SJVIA Manager



Lupe Garza
SJVIA Assistant Manager