

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

AGENDA DATE: February 19, 2021

ITEM NUMBER: Item 15

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

DESCRIPTION:

The Consultant's report shows that on a total cost basis from January through December 2020, the self-insured medical premium of \$81,862,351 exceeded total cost of \$76,210,045 for an accumulation of \$5,652,305, or a 93.1% loss ratio. It is important to note that plan experience during the COVID-19 pandemic is unprecedented as well as how the experience will be after the pandemic.

The report shows that on a total cost basis, the self-insured dental premium of \$4,818,580 exceeded total cost of \$3,897,225 for an accumulation of \$921,357, or an 80.9% loss ratio.

The vision plan remains fully-insured and has an accumulation of \$104,355. Under the fully-insured arrangement all deficit or surplus positions stay with the carrier.

Keenan projected a \$6,553,714 accumulation for the 2020 plan year. The accumulation is built from premium exceeding plan costs, built-in margin on the Kaiser plan, prescription drug rebates, and other sources. In total, \$13,659,539 or 208.4% of the annual total was realized for the 2020 plan year.

AGENDA: San Joaquin Valley Insurance Authority

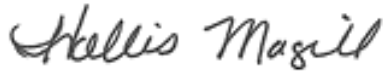
DATE: February 19, 2021

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 2020 plan year experience through December developed a \$5,652,305 medical accumulation and a \$921,357 dental accumulation for a total of \$6,573,662. 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 \$2,508,819, Kaiser reserve of \$820,340, and Kaiser EPO parity reserve of \$3,644,938, and Voya 2018 year-end accounting on reinsurance of \$111,779, brings the collective total reserve accumulation up to \$13,659,539 (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