



BOARD OF DIRECTORS

STEVE BRANDAU

NATHAN MAGSIG

BUDDY MENDES

LARRY MICARI

BRIAN PACHECO

AMY SHUKLIAN

PETE VANDER POEL

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

AGENDA DATE: August 27, 2021

ITEM NUMBER: Item 10

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

DESCRIPTION:

The consultant's report shows that on a total cost basis from January through June 2021, the self-insured medical premium of \$40,782,123 exceeded total cost of \$39,129,855 for an accumulation of \$1,652,268, or a 95.9% 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.

The report shows that on a total cost basis, the self-insured dental premium of \$2,392,666 exceeded total cost of \$2,207,491 for an accumulation of \$185,175, or a 92.3% loss ratio.

The vision plan remains fully insured and has an accumulation of \$20,744. 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 June 30, 2021, \$4,876,341 or 55.3% of the annual total has been realized for the 2021 plan year.

AGENDA: San Joaquin Valley Insurance Authority

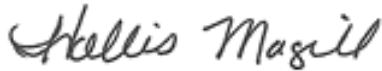
DATE: August 27, 2021

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 2021 plan year experience through June developed a \$1,652,267 medical accumulation and a \$185,176 dental accumulation for a total of \$1,837,443. The addition of the Kaiser reserve of \$397,307, the Kaiser EPO parity reserve of \$1,244,746, and the prescription drug rebates of \$1,396,846 brings the collective total reserve accumulation up to \$4,876,341 (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