



August 27, 2021

SJVIA Board Meeting: Consultant’s Report 2021 Plan Experience (Medical, Dental, and Vision) Through June 2021

The following pages provide a summary of the plan experience from January 1 through June 30, 2021 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 show a surplus position of \$1,837,443 through June 2021.

Accumulation	COF	COT	Total
Medical	\$ 481,047	\$ 1,171,220	\$ 1,652,267
Dental	\$ 195,514	\$ (10,339)	\$ 185,176
Total	\$ 676,561	\$ 1,160,881	\$ 1,837,443
Loss Ratio			
Medical	98.2%	91.7%	95.9%
Dental	88.6%	101.5%	92.3%
Vision	89.5%	107.5%	94.4%

The June position is a decrease of \$872,296 from \$1,089,147 reported through May 2021. We have now had three months where the premium received was less than total costs of the medical plan.

2021	January	February	March	April	May	June
Plan Experience (Medical)	\$ 1,353,029	\$ 1,298,026	\$ 279,275	\$ (485,754)	\$ (331,137)	\$ (461,172)
Plan Experience (Dental)	\$ 64,691	\$ 26,113	\$ (1,592)	\$ (35,574)	\$ 37,376	\$ 94,161

This is in part due to the restatement of premium for January through June for the County of Tulare, which amounted to a decrease in premium by \$822,897. Additionally, SJVIA may be realizing SJVIA covered members receiving services, which were postponed due to COVID and resulted in a higher-than-normal volume of large claims experience, or higher large claim volume unrelated to COVID. Keenan will continue to monitor the claims experience to detect any trends.

The Anthem self-funded medical plan shows an accumulated position of \$1,652,267 for a 95.9% total cost loss ratio.

The Delta Dental self-funded dental plan shows an accumulation of \$185,176 for a 92.3% total cost loss ratio.

The vision plan remains fully insured and shows an accumulated position of \$20,744 for a 94.4% total cost loss ratio. Under the fully-insured arrangement all deficit or accumulated positions stay with the carrier.

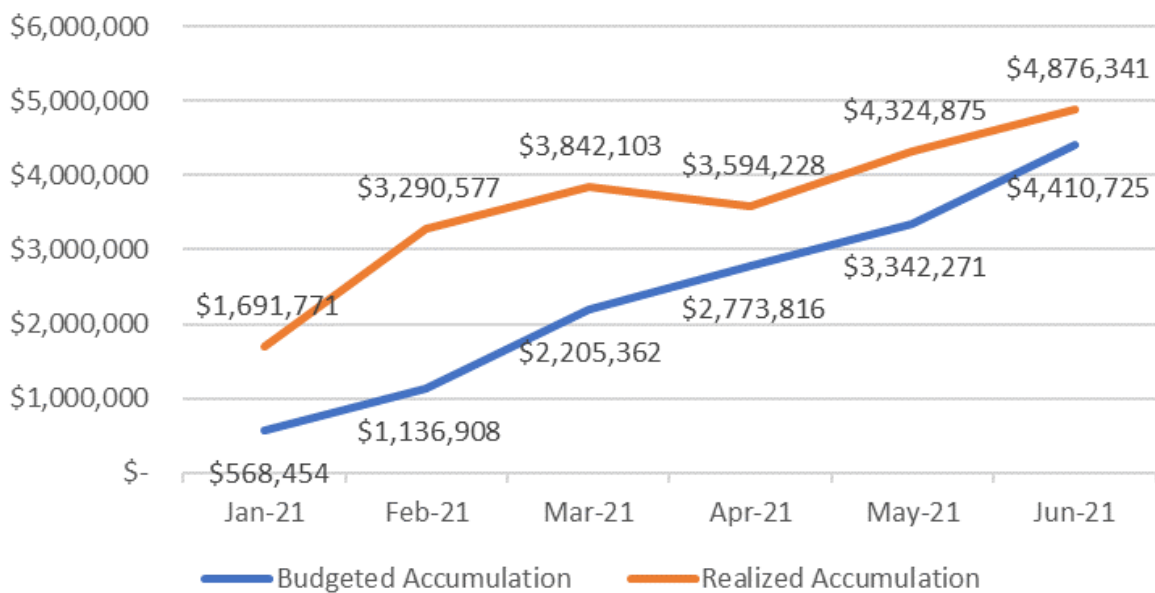
For 2021, the County of Fresno is continuing with two strategies to keep the EPO affordable for its membership:

1. The County cross subsidizes plan costs between the PPO and High Deductible Health Plans (HDHP). Although the EPO is in a \$1,506,423 deficit position, the County of Fresno inclusive of all plans has an accumulated position of \$481,047.
2. The County's EPO/Kaiser parity strategy sets the EPO and Kaiser rates equivalent. This strategy provides margin on the Kaiser rates which funds a parity reserve to offset deficits to the EPO plan. Keenan estimates that the cumulative Kaiser parity reserve will be \$3,175,390 for 2021. Through June 2021, the Kaiser parity reserve accumulated \$1,244,746.
3. The County of Fresno applies a margin to all plans including Kaiser to assist the County and SJVIA in improving its accumulation position. Keenan estimates that the cumulative Kaiser margin reserve will be \$811,898 for 2021. Through June 2021, the Kaiser margin reserve accumulated \$397,307.
4. Collectively the strategies implemented by the County of Fresno have resulted in a net accumulated position through June 2021 of \$2,123,099 for the medical plans.

The SJVIA received the second quarter (October - December 2020) Prescription drug rebate for \$645,084 (\$145,084 above the budgeted amount). This amount is accounted for in the June accumulated position. The third quarter (January - March 2021) Prescription drug rebate is estimated at \$619,674 and is currently being audited by KPS.

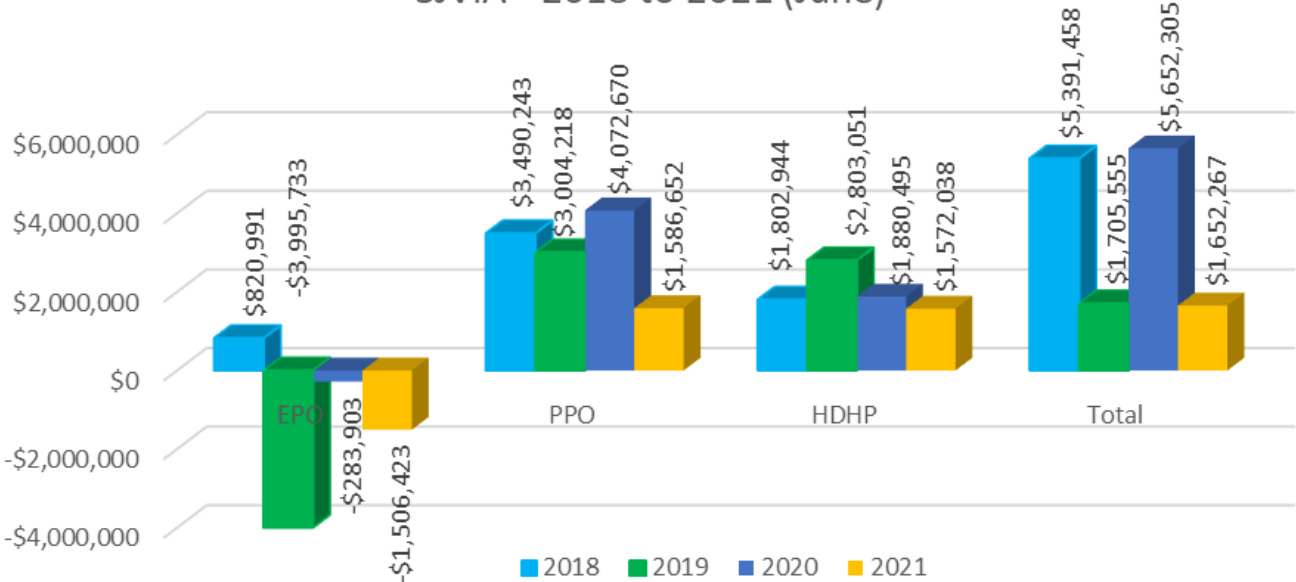
The SJVIA has an annual accumulative position through May 2021 of \$4,876,341 or 55.3% of the budgeted accumulative position of \$8,821,449 for the 2021 plan year. The accumulation is 5.3% ahead of the budgeted June 2021 position of \$4,410,725 (50.0%).

Accumulation Comparison

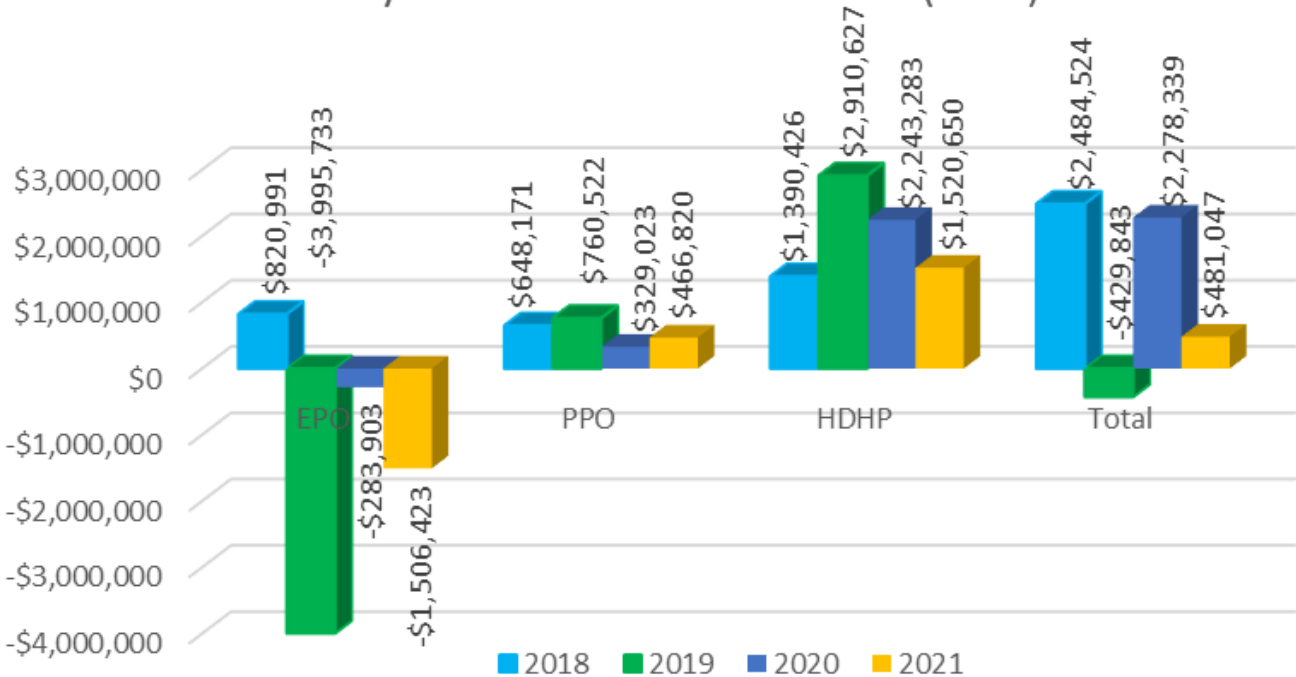


Please note that this is the consultant's report and prior to allocating funds for IBNR, the stabilization reserve, and to provide loan repayment, the SJVIA Auditor will provide the unaudited cash position based on actual revenue received and actual expenses paid.

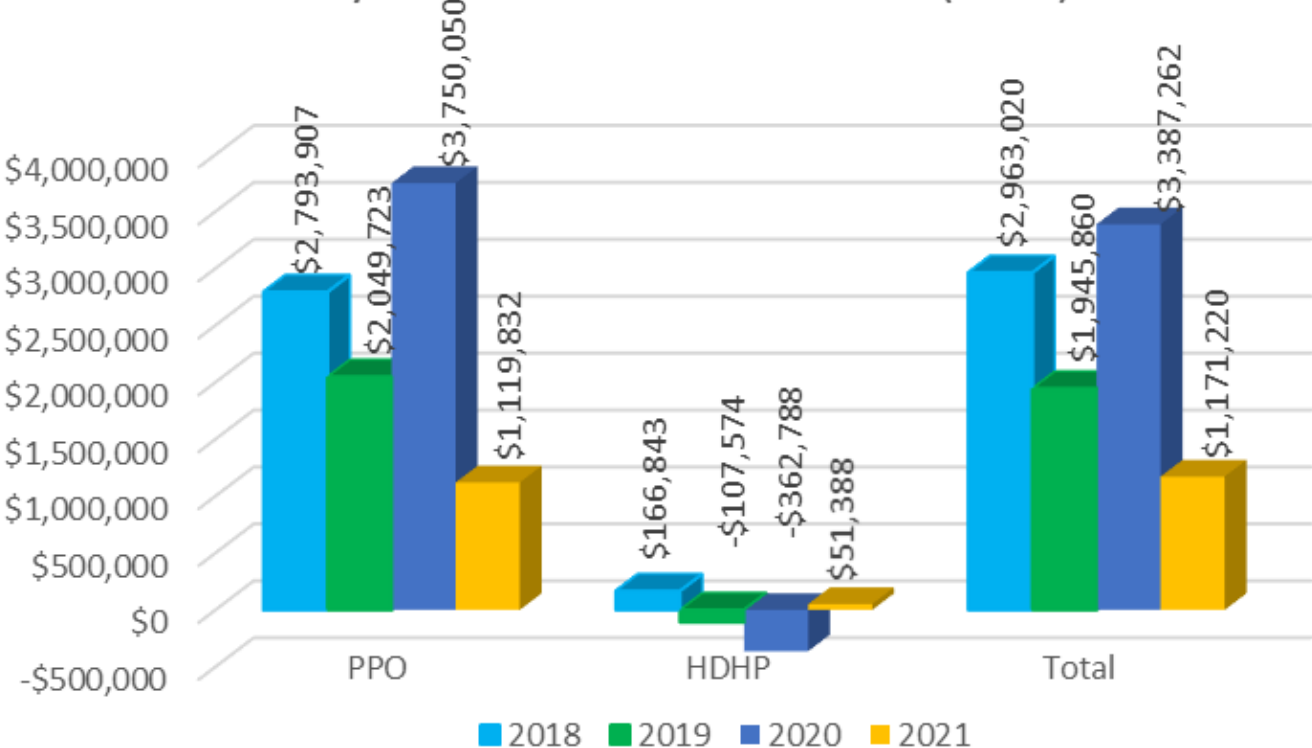
SJVIA - 2018 to 2021 (June)



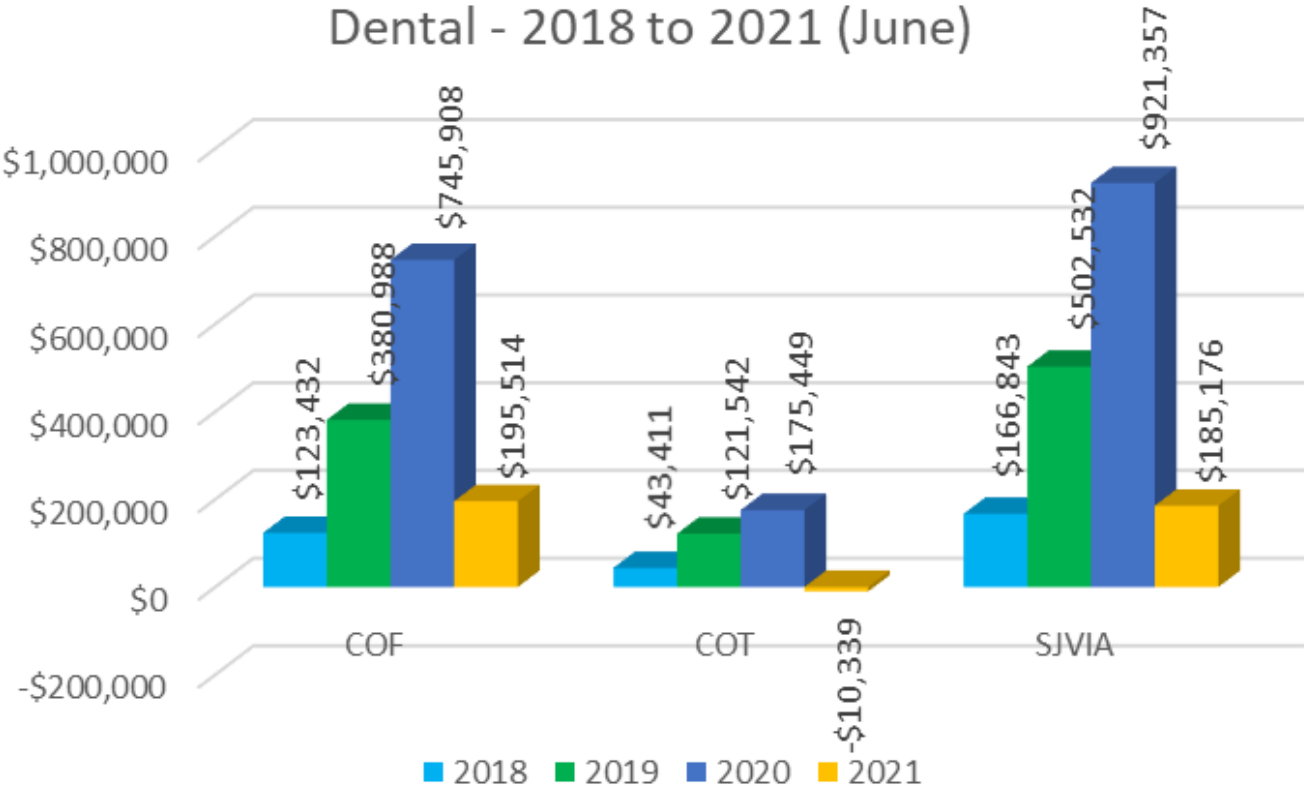
County of Fresno - 2018 to 2021 (June)



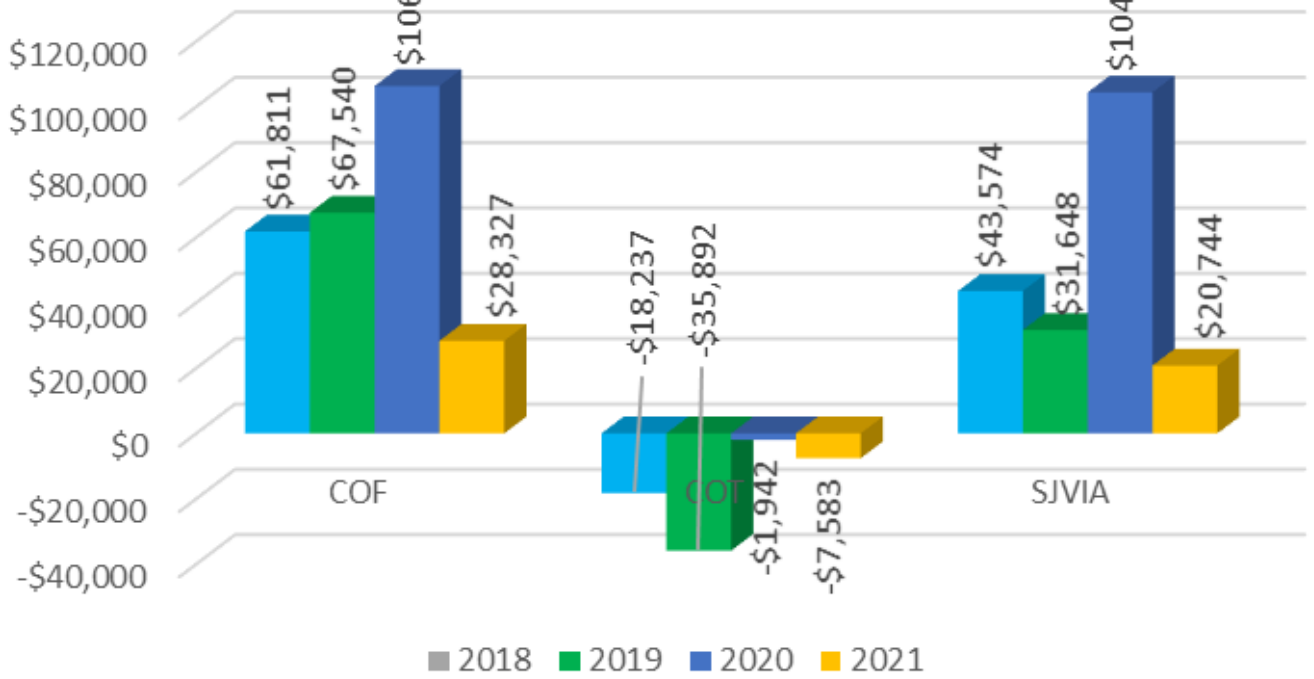
County of Tulare - 2018 to 2021 (June)



Dental - 2018 to 2021 (June)



Vision - 2018 to 2021 (June)



Budget vs. Calculated Accumulation													
2020	January	February	March	April	May	June	July	August	September	October	November	December	Total
Budget													
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 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 Accumulation	\$ 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
Calculated													
Plan Experience (Medical)	\$ 719,955	\$ 1,022,844	\$ (107,282)	\$ 961,782	\$ 1,013,371	\$ 1,186,760	\$ 229,036	\$ (485,775)	\$ 325,160	\$ 147,490	\$ 169,133	\$ 469,831	\$ 5,652,305
Plan Experience (Dental)	\$ 7,830	\$ (1,602)	\$ 71,933	\$ 244,874	\$ 251,996	\$ 117,106	\$ (2,167)	\$ 83,889	\$ 58,852	\$ (27,210)	\$ 70,676	\$ 45,180	\$ 921,357
Kaiser Accumulation	\$ 67,723	\$ 67,721	\$ 67,742	\$ 67,653	\$ 68,624	\$ 69,209	\$ 68,940	\$ 68,709	\$ 68,821	\$ 68,339	\$ 68,317	\$ 68,542	\$ 820,340
Kaiser EPO Parity Accumulation	\$ 300,988	\$ 301,602	\$ 301,286	\$ 300,610	\$ 305,046	\$ 307,708	\$ 305,644	\$ 304,548	\$ 305,603	\$ 303,806	\$ 303,745	\$ 304,353	\$ 3,644,938
Prescription Drug Rebates	\$ -	\$ 444,726	\$ -	\$ -	\$ 465,054	\$ -	\$ 473,497	\$ 546,922	\$ -	\$ 578,620	\$ -	\$ -	\$ 2,508,819
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,779
2020 Calculated Accumulation	\$ 1,096,496	\$ 1,835,290	\$ 333,678	\$ 1,574,919	\$ 2,104,091	\$ 1,792,562	\$ 1,074,950	\$ 518,293	\$ 758,436	\$ 1,071,045	\$ 611,871	\$ 887,906	\$ 13,659,539
2021	January	February	March	April	May	June	July	August	September	October	November	December	Total
Budget													
Plan Experience (Medical)	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 230,104	\$ 2,761,249
Plan Experience (Dental)	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 6,076	\$ 72,913
Kaiser Accumulation	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 67,658	\$ 811,898
Kaiser EPO Parity Accumulation	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 264,616	\$ 3,175,390
Prescription Drug Rebates	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ 2,000,000
2021 Budgeted Accumulation	\$ 568,454	\$ 568,454	\$ 1,068,454	\$ 568,454	\$ 568,454	\$ 1,068,454	\$ 568,454	\$ 568,454	\$ 1,068,454	\$ 568,454	\$ 568,454	\$ 1,068,454	\$ 8,821,449
Calculated													
Plan Experience (Medical)	\$ 1,353,029	\$ 1,298,026	\$ 279,275	\$ (485,754)	\$ (331,137)	\$ (461,172)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,652,267
Plan Experience (Dental)	\$ 64,691	\$ 26,113	\$ (1,592)	\$ (35,574)	\$ 37,376	\$ 94,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,176
Kaiser Accumulation	\$ 66,307	\$ 66,453	\$ 66,255	\$ 66,166	\$ 65,959	\$ 66,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 397,307
Kaiser EPO Parity Accumulation	\$ 207,743	\$ 208,215	\$ 207,587	\$ 207,287	\$ 206,687	\$ 207,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,244,746
Prescription Drug Rebates	\$ -	\$ -	\$ -	\$ -	\$ 751,762	\$ 645,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,396,846
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021 Calculated Accumulation	\$ 1,691,771	\$ 1,598,807	\$ 551,526	\$ (247,875)	\$ 730,647	\$ 551,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,876,341

Note: Jan-Mar Q1 2021 estimated net rebate amount is \$619,674. RX Rebate is currently being audited by KPS

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.