

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

AGENDA DATE: August 27, 2021

ITEM NUMBER: Item 13

SUBJECT: Receive Consultant's Plan Year 2022 Underwriting Renewal Report, Approve 2022 Rates and Fees, Authorize Consultant and SJVIA Staff to Negotiate Agreements, and President to Execute Agreements Subject to Approval of SJVIA Counsel and Staff (A)

REQUEST(S): That the Board finalize and approve Plan Year 2022 rates and fees, authorize consultant and SJVIA staff to negotiate agreements, and President to execute agreements subject to approval of SJVIA counsel and staff.

DESCRIPTION:

Keenan has prepared the proposal for the 2022 renewal for the SJVIA. The final renewal report updates the plan experience by one month, utilizing 12 months of data through June 2021. Three factors with renewal cost impacts were prepared by Keenan:

1. Shifting the funding of the change in the IBNR from renewal rates to accumulated reserve
2. Utilizing current standard industry trend, internal trend, or a blended trend
3. Reducing margin components from 3.0% to 1.5% or 0.0%

The consultant reviewed the renewal options with staff and recommends the following: 1) move change in IBNR to accumulated reserves; 2) continue to use standard industry trend; and 3) set margin at 1.5% for Fresno County and 0.0% for Tulare County.

The impact to the self-funded medical/Rx coverage is an increase to the SJVIA of 1.74% and 0.0% to the self-funded dental. The overall renewal to the SJVIA is 2.61% (Fresno County 3.51%, Tulare County 0.25%).

AGENDA: San Joaquin Valley Insurance Authority

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The renewal introduces two new EPO plans designed to reduce EPO plan costs, eliminates (for active employees) the PPO 1000 and HDPP0 1500 for Fresno County, and benefit enhancements to the Anthem 500 PPO plan for Tulare County.

Medical Anthem (Self-funded)

The final Anthem self-funded plans require an overall underwriting rate increase of 1.74%.

Medical Kaiser (Fully insured)

The initial Kaiser HMO and Deductible HMO plans require an overall premium increase of 5.15%.

Dental PPO (Self-funded)

The Delta Dental DPPO plan have a rate pass of 0.00%.

Dental DHMO (Fully insured)

The Delta Dental DHMO plan also has a rate pass and a two-year rate guarantee.

Vision (Fully Insured)

The VSP rates renewed with a 1.26% increase and a two-year rate guarantee.

FISCAL IMPACT/FINANCING:

Based on underwriting requirements and carrier renewal requirements, the 2022 SJVIA renewal adjustment is 2.61% or \$3,170,572 (from \$121,314,944 in 2021 to \$124,485,516 in 2022).

ADMINISTRATIVE SIGN-OFF:



Hollis Magill
SJVIA Manager



Lupe Garza
SJVIA Assistant Manager