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SJVIA Reserve Reconciliation Report

The SJVIA staff requested Keenan provide an annual report outlining reserve accumulation since inception. Keenan reviewed the performance of the plan, financial adjustments to the plans for prescription drug rebates, margin surcharge on Kaiser, year-end accounting, dental reserve buildup, and other revenues received by the SJVIA. The SJVIA's obligation for the IBNR reserve liability and three-month stabilization reserve were also included. The following chart, illustrates the reserve accumulation position of the SJVIA and each entity:

December 31, 2024 Position	SJVIA	Fresno	Tulare	All Other
Plan Perfromance				
Medical/RX Performance	$ (6,713,005)	$ (3,781,416)	$ (3,159,825)	$ 228,235
Adjustments	$ 43,763,049	$ 33,392,237	$ 10,116,959	$ 253,852
Subtotal	$ 37,050,044	$ 29,610,822	$ 6,957,134	$ 482,088
Other Adjustments				
Transfer All Other ($482,088)	$ 482,088	$ 241,044	$ 241,044	
ARPA Funds	$ 5,020,081	$ 2,426,734	$ 2,593,347	
Total	$ 42,552,212	$ 32,278,600	$ 9,791,525	
IBNR Reserve Rquirement	$ (10,187,920)	$ (6,216,320)	$ (3,971,600)	
Stabilization Reserve	$ (20,741,256)	$ (12,866,061)	$ (7,875,195)	
Total Net Position	**$ 11,623,036**	**$ 13,196,219**	**$ (2,055,270)**	
% of total	100.0%	113.5%	-17.7%	
Other Items				
Gallagher Settlement	$ 7,000,000	$ 4,000,000	$ 3,000,000	
COF Seed Money 2010	$ 887,669			

The SJVIA has a positive position of $11,623,036 in reserves after consideration for IBNR reserve and stabilization reserve requirements. The County of Fresno has a $13,196,219 reserve position while the County of Tulare has a ($2,055,270) reserve position.

ARPA funds which were transferred to the SJVIA for COVID-19 related claims are included in this report.

In 2009, the County of Fresno provided $887,669 as seed money to launch the SJVIA. This amount remains an SJVIA obligation that has not been repaid. The balance of this report details our findings.

Please note, this is the consultant's report and is based on actual enrollment, paid claims, and budgeted premium and administrative expenses. The SJVIA auditor provides the unaudited cash position based on actual revenue received and actual expenses paid. Minor differences in dollar amounts may exist from the experience reports due to rounding.

Medical / RX Premium vs. Total Cost 2018 - 2024

SJVIA Reconciliation Report		SJVIA			Fresno			Tulare			All Other		
		HMO/EPO	PPO/HDHP	Total	HMO/EPO	PPO/HDHP	Total	HMO	PPO/HDHP	Total	HMO	PPO/HDHP	Total
2018	Premium	$ 41,235,443	$ 53,248,943	$ 94,484,386	$ 41,225,886	$ 25,476,557	$ 66,702,443	$ 9,557	$ 26,943,450	$ 26,953,007	$ -	$ 828,936	$ 828,936
	Total Cost	$ 41,208,944	$ 49,140,623	$ 90,349,567	$ 41,197,215	$ 24,246,643	$ 65,443,858	$ 7,286	$ 24,113,209	$ 24,120,495	$ 4,443	$ 780,771	$ 785,214
	$ Difference	$ 26,499	$ 4,108,320	$ 4,134,819	$ 28,671	$ 1,229,914	$ 1,258,585	$ 2,271	$ 2,830,241	$ 2,832,512	$ (4,443)	$ 48,165	$ 43,722
	Loss Ratio	99.9%	92.3%	95.6%	99.9%	95.2%	98.1%	76.2%	89.5%	89.5%		94.2%	94.7%
2019	Premium	$ 42,445,762	$ 37,625,732	$ 80,071,494	$ 42,445,762	$ 8,764,693	$ 51,210,455	$ -	$ 28,092,399	$ 28,092,399	$ -	$ 768,640	$ 768,640
	Total Cost	$ 46,554,527	$ 30,721,067	$ 77,275,594	$ 46,546,713	$ 3,996,151	$ 50,542,864	$ 3,371	$ 26,150,249	$ 26,153,620	$ 4,443	$ 574,667	$ 579,110
	$ Difference	$ (4,108,765)	$ 6,904,665	$ 2,795,900	$ (4,100,951)	$ 4,768,542	$ 667,591	$ (3,371)	$ 1,942,150	$ 1,938,779	$ (4,443)	$ 193,973	$ 189,530
	Loss Ratio	109.7%	81.6%	96.5%	109.7%	45.6%	98.7%		93.1%	93.1%		74.8%	75.3%
2020	Premium	$ 43,778,298	$ 38,084,054	$ 81,862,352	$ 43,778,298	$ 8,535,984	$ 52,314,282	$ -	$ 29,548,070	$ 29,548,070	$ -	$ -	$ -
	Total Cost	$ 44,079,157	$ 32,130,887	$ 76,210,044	$ 44,072,264	$ 5,963,676	$ 50,035,940	$ -	$ 26,160,808	$ 26,160,808	$ 6,893	$ 6,403	$ 13,296
	$ Difference	$ (300,859)	$ 5,953,167	$ 5,652,308	$ (293,966)	$ 2,572,308	$ 2,278,342	$ -	$ 3,387,262	$ 3,387,262	$ (6,893)	$ (6,403)	$ (13,296)
	Loss Ratio	100.7%	84.4%	93.1%	100.7%	69.9%	95.6%		88.5%	88.5%			
2021	Premium	$ 44,376,243	$ 36,871,116	$ 81,247,359	$ 44,376,243	$ 8,566,210	$ 52,942,453	$ -	$ 28,304,906	$ 28,304,906	$ -	$ -	$ -
	Total Cost	$ 48,600,411	$ 34,045,231	$ 82,645,642	$ 48,600,411	$ 5,387,247	$ 53,987,658	$ -	$ 28,657,984	$ 28,657,984	$ -	$ -	$ -
	$ Difference	$ (4,224,168)	$ 2,825,885	$ (1,398,283)	$ (4,224,168)	$ 3,178,963	$ (1,045,205)	$ -	$ (353,078)	$ (353,078)	$ -	$ -	$ -
	Loss Ratio	109.5%	92.3%	101.7%	109.5%	62.9%	102.0%		101.2%	101.2%			
2022	Premium	$ 45,908,995	$ 35,191,316	$ 81,100,311	$ 45,908,995	$ 7,451,112	$ 53,360,107	$ -	$ 27,740,204	$ 27,740,204	$ -	$ -	$ -
	Total Cost	$ 50,524,738	$ 37,933,759	$ 88,458,497	$ 50,524,738	$ 6,066,019	$ 56,590,757	$ -	$ 31,867,740	$ 31,867,740	$ -	$ -	$ -
	$ Difference	$ (4,615,743)	$ (2,742,443)	$ (7,358,186)	$ (4,615,743)	$ 1,385,093	$ (3,230,650)	$ -	$ (4,127,536)	$ (4,127,536)	$ -	$ -	$ -
	Loss Ratio	110.1%	107.8%	109.1%	110.1%	81.4%	106.1%		114.9%	114.9%			
2023	Premium	$ 50,330,431	$ 37,829,585	$ 88,160,016	$ 50,330,431	$ 6,995,123	$ 57,325,554	$ -	$ 30,834,462	$ 30,834,462	$ -	$ -	$ -
	Total Cost	$ 48,775,059	$ 38,169,815	$ 86,944,874	$ 48,775,059	$ 4,727,382	$ 53,502,441	$ -	$ 33,442,433	$ 33,442,433	$ -	$ -	$ -
	$ Difference	$ 1,555,372	$ (340,230)	$ 1,215,142	$ 1,555,372	$ 2,267,741	$ 3,823,113	$ -	$ (2,607,971)	$ (2,607,971)	$ -	$ -	$ -
	Loss Ratio	96.9%	100.9%	98.6%	96.9%	67.6%	93.3%		108.5%	108.5%			
2024	Premium	$ 58,961,894	$ 41,228,801	$ 100,190,695	$ 58,961,894	$ 7,401,162	$ 66,363,056	$ -	$ 33,827,639	$ 33,827,639	$ -	$ -	$ -
	Total Cost	$ 57,420,160	$ 43,951,290	$ 101,371,450	$ 57,420,160	$ 5,352,741	$ 62,772,901	$ -	$ 38,598,549	$ 38,598,549	$ -	$ -	$ -
	$ Difference	$ 1,541,734	$ (2,722,489)	$ (1,180,755)	$ 1,541,734	$ 2,048,421	$ 3,590,155	$ -	$ (4,770,910)	$ (4,770,910)	$ -	$ -	$ -
	Loss Ratio	97.4%	106.6%	101.2%	97.4%	72.3%	94.6%		114.1%	114.1%			
2010-2024	Premium	$ 711,526,261	$560,152,873	$ 1,271,679,134	$ 676,169,873	$132,342,158	$808,512,031	$ 10,998,925	$361,843,320	$372,842,245	$ 24,357,463	$ 65,967,395	$ 90,324,858
	Total Cost	$ 737,795,584	$540,596,555	$ 1,278,392,139	$ 699,930,459	$112,362,988	$812,293,447	$ 12,569,429	$363,432,641	$376,002,070	$ 25,295,697	$ 64,800,926	$ 90,096,623
	$ Difference	$ (29,366,429)	$ 22,619,037	$ (6,747,392)	$ (26,857,692)	$ 15,663,008	$ (11,194,684)	$ (1,570,504)	$ 5,789,560	$ 4,219,056	$ (938,234)	$ 1,166,469	$ 228,235
	Loss Ratio	103.7%	96.5%	100.5%	103.5%	84.9%	100.5%	114.3%	100.4%	100.8%	103.9%	98.2%	99.7%

Medical / RX Premium vs. Total Cost 2010 - 2017

SJVIA Reconciliation Report		SJVIA			Fresno			Tulare			All Other		
		HMO/EPO	PPO/HDHP	Total	HMO/EPO	PPO/HDHP	Total	HMO	PPO/HDHP	Total	HMO	PPO/HDHP	Total
2010	Premium	$ 42,181,416	$ 26,395,385	$ 68,576,801	$ 42,181,416	$ 8,483,786	$ 50,665,202	$ -	$ 17,911,599	$ 17,911,599	$ -	$ -	$ -
	Total Cost	$ 37,720,237	$ 23,526,473	$ 61,246,710	$ 37,720,237	$ 6,812,938	$ 44,533,175	$ -	$ 16,713,535	$ 16,713,535	$ -	$ -	$ -
	$ Difference	$ 4,461,179	$ 2,868,912	$ 7,330,091	$ 4,461,179	$ 1,670,848	$ 6,132,027	$ -	$ 1,198,064	$ 1,198,064	$ -	$ -	$ -
	Loss Ratio	89.4%	89.1%	89.3%	89.4%	80.3%	87.9%		93.3%	93.3%			
2011	Premium	$ 44,955,847	$ 26,323,381	$ 71,279,228	$ 44,955,847	$ 7,561,939	$ 52,517,786	$ -	$ 18,761,442	$ 18,761,442	$ -	$ -	$ -
	Total Cost	$ 42,591,763	$ 24,817,680	$ 67,409,443	$ 42,591,763	$ 7,477,950	$ 50,069,713	$ -	$ 17,339,730	$ 17,339,730	$ -	$ -	$ -
	$ Difference	$ 2,364,084	$ 1,505,701	$ 3,869,785	$ 2,364,084	$ 83,989	$ 2,448,073	$ -	$ 1,421,712	$ 1,421,712	$ -	$ -	$ -
	Loss Ratio	94.7%	94.3%	94.6%	94.7%	98.9%	95.3%		92.4%	92.4%			
2012	Premium	$ 42,211,773	$ 27,077,170	$ 69,288,943	$ 42,211,773	$ 6,809,346	$ 49,021,119	$ -	$ 18,652,690	$ 18,652,690	$ -	$ 1,615,134	$ 1,615,134
	Total Cost	$ 42,997,488	$ 25,487,664	$ 68,485,152	$ 42,997,488	$ 6,376,102	$ 49,373,590	$ -	$ 18,158,890	$ 18,158,890	$ -	$ 952,672	$ 952,672
	$ Difference	$ (785,715)	$ 1,589,506	$ 803,791	$ (785,715)	$ 433,244	$ (352,471)	$ -	$ 493,800	$ 493,800	$ -	$ 662,462	$ 662,462
	Loss Ratio	101.9%	94.1%	98.8%	101.9%	93.6%	100.7%		97.4%	97.4%		59.0%	59.0%
2013	Premium	$ 49,017,156	$ 29,330,683	$ 78,347,839	$ 44,965,190	$ 6,839,897	$ 51,805,087	$ 2,098,473	$ 18,114,767	$ 20,213,240	$ 1,953,493	$ 4,376,019	$ 6,329,512
	Total Cost	$ 51,038,431	$ 26,286,441	$ 77,324,872	$ 48,199,812	$ 6,294,333	$ 54,494,145	$ 2,053,678	$ 17,539,970	$ 19,593,648	$ 784,941	$ 2,452,138	$ 3,237,079
	$ Difference	$ (2,021,275)	$ 3,044,242	$ 1,022,967	$ (3,234,622)	$ 545,564	$ (2,689,058)	$ 44,795	$ 574,797	$ 619,592	$ 1,168,552	$ 1,923,881	$ 3,092,433
	Loss Ratio	104.1%	89.6%	98.7%	107.2%	92.0%	105.2%	97.9%	96.8%	96.9%	40.2%	56.0%	51.1%
2014	Premium	$ 53,610,500	$ 33,035,282	$ 86,645,782	$ 47,770,525	$ 6,853,201	$ 54,623,726	$ 2,573,539	$ 18,691,219	$ 21,264,758	$ 3,266,436	$ 7,490,862	$ 10,757,298
	Total Cost	$ 55,693,816	$ 32,311,383	$ 88,005,199	$ 50,198,930	$ 7,451,756	$ 57,650,686	$ 2,274,398	$ 19,647,012	$ 21,921,410	$ 3,220,488	$ 5,212,615	$ 8,433,103
	$ Difference	$ (2,083,316)	$ 723,899	$ (1,359,417)	$ (2,428,405)	$ (598,555)	$ (3,026,960)	$ 299,141	$ (955,793)	$ (656,652)	$ 45,948	$ 2,278,247	$ 2,324,195
	Loss Ratio	103.9%	97.8%	101.6%	105.1%	108.7%	105.5%	88.4%	105.1%	103.1%	98.6%	69.6%	78.4%
2015	Premium	$ 54,154,735	$ 46,646,481	$ 100,801,216	$ 43,026,208	$ 6,592,106	$ 49,618,314	$ 3,126,648	$ 18,928,110	$ 22,054,758	$ 8,001,879	$ 21,126,265	$ 29,128,144
	Total Cost	$ 65,514,244	$ 47,066,983	$ 112,581,227	$ 51,931,320	$ 6,379,508	$ 58,310,828	$ 4,619,688	$ 19,545,380	$ 24,165,068	$ 8,963,236	$ 21,142,095	$ 30,105,331
	$ Difference	$ (11,359,509)	$ (420,502)	$ (11,780,011)	$ (8,905,112)	$ 212,598	$ (8,692,514)	$ (1,493,040)	$ (617,270)	$ (2,110,310)	$ (961,357)	$ (15,830)	$ (977,187)
	Loss Ratio	121.0%	100.9%	111.7%	120.7%	96.8%	117.5%	147.8%	103.3%	109.6%	112.0%	100.1%	103.4%
2016	Premium	$ 53,526,716	$ 55,640,763	$ 109,167,479	$ 41,546,898	$ 6,947,403	$ 48,494,301	$ 3,171,595	$ 20,015,806	$ 23,187,401	$ 8,808,223	$ 28,677,554	$ 37,485,777
	Total Cost	$ 60,038,503	$ 61,544,592	$ 121,583,095	$ 47,089,638	$ 7,467,476	$ 54,557,114	$ 3,338,010	$ 21,250,509	$ 24,588,519	$ 9,610,856	$ 32,826,607	$ 42,437,463
	$ Difference	$ (6,511,787)	$ (5,903,829)	$ (12,415,616)	$ (5,542,740)	$ (520,073)	$ (6,062,813)	$ (166,415)	$ (1,234,703)	$ (1,401,118)	$ (802,633)	$ (4,149,053)	$ (4,951,686)
	Loss Ratio	112.2%	110.6%	111.4%	113.3%	107.5%	112.5%	105.2%	106.2%	106.0%	109.1%	114.5%	113.2%
2017	Premium	$ 44,831,052	$ 35,624,181	$ 80,455,233	$ 42,484,507	$ 9,063,639	$ 51,548,146	$ 19,113	$ 25,476,557	$ 25,495,670	$ 2,327,432	$ 1,083,985	$ 3,411,417
	Total Cost	$ 45,038,106	$ 33,462,667	$ 78,500,773	$ 42,064,711	$ 8,363,066	$ 50,427,777	$ 272,998	$ 24,246,643	$ 24,519,641	$ 2,700,397	$ 852,958	$ 3,553,355
	$ Difference	$ (207,054)	$ 2,161,514	$ 1,954,460	$ 419,796	$ 700,573	$ 1,120,369	$ (253,885)	$ 1,229,914	$ 976,029	$ (372,965)	$ 231,027	$ (141,938)
	Loss Ratio	100.5%	93.9%	97.6%	99.0%	92.3%	97.8%	1428.3%	95.2%	96.2%	116.0%	78.7%	104.2%

Revenue Adjustments for prescription drug rebates, year-end accounting returns, Kaiser margin, Kaiser Parity margin, Delta Dental surplus, and other return of revenue.

SJVIA Adjustments	SJVIA	Fresno	Tulare	All Other
2010-2017				
HMO YEA	$ 3,098,036	$ 2,895,972	$ 68,315	$ 133,749
Prescription Drug Rebates	$ 2,010,245	$ 1,242,665	$ 671,170	$ 96,410
Total	**$ 5,108,281**	**$ 4,138,637**	**$ 739,485**	**$ 230,159**
2018				
Prescription Drug Rebates	$ 408,011	$ 247,136	$ 157,776	$ 3,099
Kaiser Surcharge	$ 1,155,952	$ 1,050,119	$ 98,270	$ 7,563
Dental Premium Holiday	$ 362,752	$ 257,961	$ 104,791	$ -
Delta Dental 2.0% Subsidy	$ 88,672	$ 63,056	$ 25,616	$ -
Total	**$ 2,015,387**	**$ 1,618,272**	**$ 386,453**	**$ 10,662**
2019				
Plan Experience (Dental)	$ 502,530	$ 380,988	$ 121,542	$ -
Prescription Drug Rebates	$ 1,738,894	$ 1,137,341	$ 588,522	$ 13,031
Kaiser Rate Surcharge	$ 719,171	$ 639,496	$ 79,675	$ -
Delta Dental PSR Transfer	$ 948,664	$ 681,041	$ 267,623	$ -
Total	**$ 3,909,259**	**$ 2,838,866**	**$ 1,057,362**	**$ 13,031**
2020				
Plan Experience (Dental)	$ 921,357	$ 745,908	$ 175,449	$ -
Kaiser Rate Surcharge	$ 820,340	$ 729,457	$ 90,884	$ -
Kaiser EPO Parity Surcharge	$ 3,644,938	$ 3,644,938	$ -	$ -
Prescription Drug Rebates	$ 2,508,819	$ 1,530,379	$ 978,440	
Stop Loss Dividend	$ 111,779	$ 76,792	$ 34,987	$ -
Total	**$ 8,007,234**	**$ 6,727,474**	**$ 1,279,760**	**$ -**
2021				
Plan Experience (Dental)	$ 466,009	$ 396,414	$ 69,594	$ -
Kaiser Rate Surcharge	$ 788,665	$ 788,665	$ -	$ -
Kaiser EPO Parity Surcharge	$ 2,469,507	$ 2,469,507	$ -	$ -
Prescription Drug Rebates	$ 2,725,566	$ 1,646,927	$ 1,078,639	
HMO Final Accounting 2017	$ 977,819	$ 977,819	$ -	$ -
Total	**$ 7,427,565**	**$ 6,279,332**	**$ 1,148,233**	$ -
2022				
Plan Experience (Dental)	$ 661,028	$ 497,581	$ 163,447	$ -
Kaiser Rate Surcharge	$ 398,886	$398,886	$ -	$ -
Kaiser EPO Parity Surcharge	$ 400,516	$ 400,516	$ -	$ -
Prescription Drug Rebates	$ 2,731,351	$ 1,551,767	$ 1,179,584	$ -
Total	**$ 4,191,781**	**$ 2,848,750**	**$ 1,343,031**	$ -
2023				
Plan Experience (Dental)	$ 624,181	$ 472,269	$ 151,912	$ -
Kaiser Rate Surcharge	$ 396,447	$396,447	$ -	$ -
Kaiser EPO Parity Surcharge	$ 1,971,527	$ 1,971,527	$ -	$ -
Prescription Drug Rebates	$ 3,494,513	$ 1,999,053	$ 1,495,460	$ -
Total	**$ 6,486,668**	**$ 4,839,296**	**$ 1,647,372**	$ -
2024				
Plan Experience (Dental)	$ 515,304	$ 495,210	$ 20,094	$ -
Kaiser Rate Surcharge	$ 345,564	$ 335,314	$ 10,250	$ -
Other	$ -	$ -	$ -	$ -
Prescription Drug Rebates	$ 5,756,005	$ 3,271,086	$ 2,484,919	$ -
Total	**$ 6,616,873**	**$ 4,101,610**	**$ 2,515,263**	$ -
Total 2010 - 2024				
Total Adjustments	**$ 43,763,049**	**$ 33,392,237**	**$ 10,116,959**	**$ 253,852**