July 17, 2026

RE: SJVIA Board Meeting: Consultant's Report – 2026 Plan Experience (Medical, Dental, and Vision)

This report provides a summary of the plan experience from January 1 through May 31, 2026, for the self-funded medical and dental plans, as well as the fully insured vision plan. Kaiser and Delta Dental DHMO experience are not reported.

2026 SJVIA medical/Rx premium rate equivalents were developed based on underwriting plan experience, and crediting prescription drug rebates. The premium equivalent rates alone develop a deficit position of ($14,584,256). When we add in estimated 2026 stop-loss reimbursements and Rx Rebates, SJVIA has an accumulated deficit position of ($7,937,615) for the applicable time period. The self-funded dental plans developed a ($69,643) deficit. For an overall 2026 SJVIA deficit position of (8,007,258) through May 2026.

2026	COF	COT	Total
Gross Medical/Rx	-$9,633,350	-$4,950,906	-$14,584,256
Est. Sl Reimbursements	$2,461,065	$1,995,100	$4,456,165
Est. Rx Rebates	$1,280,042	$910,434	$2,190,476
Net Medical/Rx	**-$5,892,243**	**-$2,045,372**	**-$7,937,615**
Dental	$11,667	-$81,310	-$69,643
Total Surplus/Deficit	**-$5,880,576**	**-$2,126,682**	**-$8,007,258**
Vision (Insured)	$21,361	-$21,801	-$440
Total Expense Loss Ratio			
Net Medical/Rx	118.4%	111.7%	116.1%
Dental	99.3%	110.6%	102.8%
Vision	92.7%	122.1%	100.1%

1. January 2026 through May 2026

Fresno County realized a deficit of ($5,880,576), while Tulare County realized a deficit of ($2,126,682). Keenan's projected 2026 prescription drug rebates of $8,761,903 are underwritten into the 2026 rates and are therefore excluded as a line item in the 2026 budget accumulation. SJVIA received prescription drug rebate of $2,468,090 for the fourth quarter of 2025 which was delivered in March 2026. There is typically a 4-6 month lag in the funding of prescription drug rebates.

The Vision Service Plan (VSP) vision plan is fully insured and shows an accumulated deficit position of ($440) for a 100.11% total cost loss ratio. Under the fully insured arrangement, all deficit or surplus positions remain with the carrier.

The 2026 medical premium equivalent rates did not include margin, thus making the annual budgeted accumulation $0 for the budgeted medical reserve. Dental included a minor margin estimated to be $50,576; however, due to higher than expected utilization, the plan now sits at deficit position of ($69,643). The SJVIA removed margin from Kaiser for 2026.

The SJVIA Board requested to include a chart showing fiscal year budget to actual. The following chart illustrates the annual budget, eleven-month budget allocation, and the eleven-month actual based on USI's experience reports and calculated fixed costs. The eleven-month actual deficit position is ($23,051,228) which is due to a ($2,442,136) total shortage of projected revenue plus a $25,152,672 total increase of projected expenses.

FY 25/26	Annual Budget	11 month Budget	11 month Actual
Revenue			
Medical	$ 147,821,305	$ 134,897,718	$ 132,509,268
Dental	$ 6,727,037	$ 6,160,804	$ 6,095,656
Vision	$ 912,310	$ 836,284	$ 847,746
Total	$ 155,460,652	$ 141,894,806	$ 139,452,671
Expenses			
Medical	$ 135,122,168	$ 123,410,717	$ 146,620,143
Dental	$ 6,165,224	$ 5,645,808	$ 5,912,491
Vision	$ 869,228	$ 796,792	$ 847,746
Fixed Costs	$ 10,868,874	$ 9,940,045	$ 9,123,519
Total	$ 153,025,494	$ 139,793,363	$ 162,503,899
Difference	$ 2,435,158	$ 2,101,444	$ (23,051,228)

Please note that prior to allocating funds for IBNR reserve and stabilization reserve, the SJVIA auditor will provide the unaudited cash position based on actual revenue received and actual expenses paid. Minor differences in dollar amounts may exist from the experience reports and consultants report.

The following shows a month-by-month breakdown of the budgeted revenue position versus calculated accumulation of expenses incurred through May 2026 for 2025/2026 fiscal year. The total deficit for fiscal year versus budgeted revenue is ($20,609,093).

2025/2026 FY	July	August	September	October	November	December	January	February	March	April	May	June	Total
Budgeted Revenue													
Medical	$ 11,713,297	$ 11,713,297	$ 11,713,297	$ 11,713,297	$ 11,713,297	$ 11,713,297	$ 12,923,587	$ 12,923,587	$ 12,923,587	$ 12,923,587	$ 12,923,587	$ -	$ 134,897,718
Dental	$ 554,940	$ 554,940	$ 554,940	$ 554,940	$ 554,940	$ 554,940	$ 566,233	$ 566,233	$ 566,233	$ 566,233	$ 566,233	$ -	$ 6,160,804
Vision (Insured)	$ 76,026	$ 76,026	$ 76,026	$ 76,026	$ 76,026	$ 76,026	$ 76,026	$ 76,026	$ 76,026	$ 76,026	$ 76,026	$ -	$ 836,284
Total	**$ 12,344,263**	**$ 12,344,263**	**$ 12,344,263**	**$ 12,344,263**	**$ 12,344,263**	**$ 12,344,263**	**$ 13,565,846**	**$ 13,565,846**	**$ 13,565,846**	**$ 13,565,846**	**$ 13,565,846**	**$ -**	**$ 141,894,806**
Calculated Expenses													
Fixed Costs	$ (811,943)	$ (808,792)	$ (808,802)	$ (807,871)	$ (807,442)	$ (827,957)	$ (857,184)	$ (854,616)	$ (849,022)	$ (846,390)	$ (843,499)	$ -	$ (9,123,519)
Anthem Claims	$ (9,793,376)	$ (10,509,380)	$ (10,104,311)	$ (13,108,390)	$ (9,822,874)	$ (8,441,538)	$ (10,554,041)	$ (10,270,687)	$ (8,533,819)	$ (14,454,921)	$ (13,570,222)	$ -	$(119,163,560)
Kaiser (Insured)	$ (2,502,227)	$ (2,502,227)	$ (2,502,227)	$ (2,502,227)	$ (2,502,227)	$ (2,502,227)	$ (2,488,645)	$ (2,488,645)	$ (2,488,645)	$ (2,488,645)	$ (2,488,645)	$ -	$ (27,456,584)
Dental Claims	$ (506,771)	$ (423,294)	$ (396,613)	$ (491,581)	$ (394,506)	$ (425,831)	$ (448,363)	$ (503,119)	$ (523,521)	$ (584,751)	$ (478,741)	$ -	$ (5,177,092)
Dental DHMO (Insured)	$ (69,457)	$ (69,457)	$ (69,457)	$ (69,457)	$ (69,457)	$ (69,457)	$ (63,731)	$ (63,731)	$ (63,731)	$ (63,731)	$ (63,731)	$ -	$ (735,399)
VSP (Insured)	$ (75,641)	$ (75,333)	$ (75,473)	$ (75,295)	$ (75,353)	$ (78,510)	$ (78,958)	$ (78,484)	$ (78,378)	$ (78,225)	$ (78,095)	$ -	$ (847,746)
Total Calculated Expenses	**$ (13,759,416)**	**$ (14,388,482)**	**$ (13,956,883)**	**$ (17,054,821)**	**$ (13,671,859)**	**$ (12,345,520)**	**$ (14,490,923)**	**$ (14,259,283)**	**$ (12,537,117)**	**$ (18,516,663)**	**$ (17,522,933)**	**$ -**	**$(162,503,899)**
Total Surplus/Deficit	**$ (1,415,153)**	**$ (2,044,219)**	**$ (1,612,620)**	**$ (4,710,558)**	**$ (1,327,596)**	**$ (1,257)**	**$ (925,077)**	**$ (693,437)**	**$ 1,028,729**	**$ (4,950,817)**	**$ (3,957,088)**	**$ -**	**$ (20,609,093)**

1. Fixed costs include stop loss premiums, ASO fees, wellness, claims/communication management, consulting fees, MyWorkplace, Navia, PCORI Fees, and 98.6 rider.
2. Anthem claims are net of stop loss reimbursements and Rx rebates.