CITY OF SURPRISE
Health Benefits Trust Fund Board
16000 N. Civic Center Plaza
Surprise, AZ 85374
Wednesday, February 27, 2019 @ 3:30 PM
COUNCIL CHAMBERS

A. Call To Order

B. Roll Call

C. Pledge of Allegiance

D. Current Events and Reports

E. Staff Reports

F. Health Benefits Trust Fund Board Agenda

CALL TO THE PUBLIC:

INSTRUCTIONS: In order to address the Board\Commission, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the Secretary before the meeting begins.

Note: A.R.S. 38-431.01(H) - During this time members of the public may address the Board\Commission only on issues within the jurisdiction of the Board\Commission which are not an item on the agenda. At the conclusion of the open call, the Board\Commission may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

CONSENT AGENDA:

1.	Citywide	Consideration and action pertaining to approval of the November 28, 2018 Health Benefits Trust Fund Board meeting minutes.	Finance

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

2.	Citywide	Presentation and discussion pertaining to CBIZ Consulting FY2019 2nd Quarter Report.	None Lisa Angelini Finance
3.	Citywide	Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2019 2nd Quarter.	None Nick Sarpy Finance
4.	Citywide	Consideration and action pertaining to the FY2020 Benefit Healthcare Funding.	Andrea Davis Finance
5.	Citywide	Consideration and action pertaining to the FY2020 Workers' Compensation Plan Funding.	Brian Carmichael Finance
6.	Citywide	Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar.	Andrea Davis Finance
7.	Citywide	Consideration and action pertaining to placing items on future agenda.	Finance

G. Other Business and Future Agenda Items

H. Executive Session

For information purposes: Upon a public majority vote of a quorum ("Commission"), the Commission may hold an executive session, which will not be open to the public, but for only the following purposes: discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03(A)(2));

or discussion or consultation for legal advice with the attorney or attorneys of the public body (A.R.S. §38-431.03(A)(3)).

Confidentiality Requirements: Pursuant to A.R.S. §38-431.03(C)(D), any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney or by agreement of the Commission, or as otherwise ordered by a court of competent jurisdiction.

The Commission may vote to hold an executive session for the purpose of obtaining legal advice from the Commission's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

I. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED:Thursday, February 21, 2019 @ 3:17 p.m.; Amended on Thursday, February 21, 2019 @ 3:56 p.m. Corrected a presentation.

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: February 27, 2019
Submitting Department: Finance
Staff Recommendations:

Contact Person:
District: Citywide

Consent: Yes | Regular: No | Public Hearing: No | Report/Discussion: No

Agenda Wording:
Consideration and action pertaining to approval of the November 28, 2018 Health Benefits Trust Fund Board meeting minutes.

Motion:
I move to approve the November 28, 2018 Health Benefits Trust Fund Board meeting minutes.

Background:
Attached are the minutes from the November 28, 2018 meeting.

Objective Analysis:

Policy Compliant:

Financial Impact:
No financial impact.

Budget Impact:
None

FTE Impact:

ATTACHMENTS:
1. HBTF MINUTES 11.28.18 Draft

CITY OF SURPRISE

HEALTH BENEFITS TRUST FUND BOARD
16000 North Civic Center Plaza
Surprise, AZ 85374

November 28, 2018

MEETING MINUTES

CALL TO ORDER

Vice Chair Aaron Bacon called the Health Benefits Trust Fund Meeting to order at 4:03 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, November 28, 2018.

ROLL CALL

In attendance were Vice Chair Aaron Bacon, Board Member William Coniam, Board Member Renee Pastor, and Board Member Andrea Davis. Chair Gwen Skorupan was excused.

STAFF PRESENT:

Donna Meuse, Human Resources Manager; Nicholas Sarpy, Accounting Manager; Julie Ralls, Senior Financial Analyst; Jennifer Medina, Financial Management Analyst Senior; Harold Brady, PS Legal Advisor; Laura Roybal, Administrative Services Assistant.

PLEDGE OF ALLEGIANCE

CURRENT EVENTS REPORT

None

STAFF REPORT

None

CALL TO THE PUBLIC

None

CONSENT AGENDA

Item 1: Consideration and action to approve the August 29, 2018 Health Benefits Trust Fund Board Meeting Minutes.

- Board Member Coniam made a motion to approve the minutes. Board Member Davis seconded the motion. Motion passed.

REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING

Item 2: Presentation and discussion of CBIZ Consulting FY2019 1st Quarter Report.

- Michael Barberio presented CBIZ Consulting's 1st Quarter Report for FY2019.

Item 3: Presentation and discussion of the city's unaudited Employee Healthcare and Worker's Compensation Self Insurance Funds Financial Report for FY2019 1st Quarter.

- Nicholas Sarpy, Accounting Manager, presented the 1st Quarter Financial report for FY2019.

Item 4: Consideration and action pertaining to placing items on future agenda.

- Board Member Pastor requested a copy of the Stop Loss Policy for review.
- Request to prepare a calendar of proposed 2019 meetings for adoption.
- Discussion to schedule the next regular meeting and the special meeting for the board to accept the budget plan for FY2020. Regular meeting was scheduled for Wednesday, February 27, 2019 at 3:30 pm, and special meeting was scheduled for Wednesday, March 13, 2019 at 4:00 pm.

OTHER BUSINESS

None

ADJOURNMENT

Board Member Pastor made a motion to adjourn the meeting. Board Member Davis seconded the motion. Hearing no further business, Vice Chair Bacon adjourned the Health Benefits Trust Fund meeting at 4:49 p.m.

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Gwen Skorupan, Chair
Health Benefits Trust Fund Board

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: February 27, 2019
Submitting Department: Finance
Staff Recommendations: None

Contact Person: Lisa Angelini, DIRECTOR - HR
District: Citywide

Consent: No   Regular: Yes   Public Hearing: No   Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to CBIZ Consulting FY2019 2nd Quarter Report.

Motion:

None. Discussion only.

Background:

CBIZ Consulting will present the 2nd Quarter self-funded medical, dental, and vision report for plan year FY2019 for the City. This report contains financial information and claims activity.

Objective Analysis:

Policy Compliant:

Financial Impact:

None at this time; however, topics in this presentation could lead to future actions which may have a fiscal impact on the fund's operation.

Budget Impact:

None at this time; however, topics in this presentation could lead to future actions which may have a fiscal impact on the fund's operation.

FTE Impact:

ATTACHMENTS:

1. City of Surprise Medical, Dental & Vision Experience 12 18
2. City of Surprise PBM Summary Feb 2019 Board Meeting

City of Surprise

Medical, Pharmacy, Dental & Vision Experience

Plan Year: *July 2018 – June 2019*

Month End: *December 2018*

Presented by your CBIZ Team

Mike Barberio, Stacy Hutton & Ryan Comstock

our business is growing yours.

City of Surprise

Paid Claims and Administration

Plan Year: July 2018 to June 2019 (as of December 2018)

Incurred and Paid

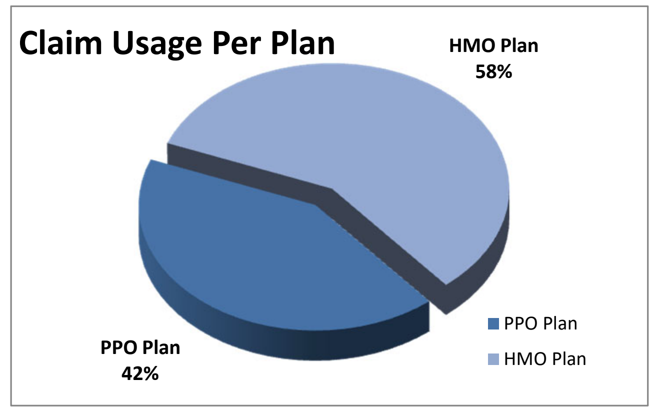
BlueCross BlueShield of Arizona and Optum Rx- All Plans														Loss Ratio		PEPM Costs				
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates	Blue Card Claims Expense & Misc.	Capitation Fees	Value Based Services	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims & Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Paid Claims Net Stop Loss Reimburse-ment PEPM	Total Claims & Fees PEPM
Jul-18	710	$ 833,067	$ 971,366	$ 274,230	$ 172,399	$ -	$ 15	$ 3,610	$ 1,346	$ -	$ 451,599	$ 85,578	$ 537,177	54.2%	46.5%	$391.34	$242.82	$636.06	$636.06	$756.59
Aug-18	715	$ 838,586	$ 977,857	$ 810,047	$ 156,087	$ -	$ 148	$ 3,655	$ 1,354	$ -	$ 971,290	$ 86,182	$ 1,057,472	115.8%	99.3%	$1,138.25	$218.30	$1,358.45	$1,358.45	$1,478.98
Sep-18	715	$ 841,030	$ 980,453	$ 726,683	$ 149,875	$ -	$ 179	$ 3,703	$ 1,327	$ (75,627)	$ 806,140	$ 86,183	$ 892,323	95.9%	82.2%	$1,021.77	$209.62	$1,233.24	$1,127.47	$1,248.00
Oct-18	715	$ 839,935	$ 979,306	$ 909,571	$ 172,101	$ -	$ 400	$ 3,686	$ 1,370	$ (90,880)	$ 996,247	$ 86,184	$ 1,082,431	118.6%	101.7%	$1,277.84	$240.70	$1,520.46	$1,393.35	$1,513.89
Nov-18	714	$ 838,278	$ 977,433	$ 647,417	$ 115,033	$ -	$ (952)	$ 3,668	$ 1,469	$ (68,978)	$ 697,657	$ 86,064	$ 783,721	83.2%	71.4%	$910.55	$161.11	$1,073.72	$977.11	$1,097.65
Dec-18	714	$ 836,123	$ 975,171	$ 702,396	$ 151,891	$ -	$ 36	$ 3,667	$ 1,470	$ (3,097)	$ 856,363	$ 86,065	$ 942,428	102.4%	87.8%	$988.93	$212.73	$1,203.73	$1,199.39	$1,319.93
Jan-19																				
Feb-19																				
Mar-19																				
Apr-19																				
May-19																				
Jun-19																				
Total	**4,283**	**$ 5,027,020**	**$ 5,861,586**	**$ 4,070,344**	**$ 917,385**	**$ -**	**$ (176)**	**$ 21,989**	**$ 8,337**	**$ (238,583)**	**$ 4,779,296**	**$ 516,256**	**$ 5,295,552**	**95.1%**	**81.5%**	**$955.44**	**$214.19**	**$1,171.58**	**$1,115.88**	**$1,236.41**
Avg	**714**																			

Administrative Fees	PPO Plan			HMO Plan		
	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Administration	$49.76	$49.76	$49.76	$49.76	$49.76	$49.76
Specific Stoploss 12/24 $250,000 ISL	$65.92	$65.92	$65.92	$65.92	$65.92	$65.92
Aggregate Stoploss (125%)	$5.10	$5.10	$5.10	$4.55	$4.55	$4.55
Total Admin Fees	**$120.78**	**$120.78**	**$120.78**	**$120.23**	**$120.23**	**$120.23**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$456.81**	**$1,034.39**	**$1,496.44**	**$477.13**	**$1,074.48**	**$1,552.38**
Maximum Liability (ICAP)	**$615.74**	**$1,225.05**	**$1,712.49**	**$633.55**	**$1,260.63**	**$1,762.31**

Client Budget	Employee	Emp + 1 Dep	EE + Family
PPO Plan	**$596.04**	**$1,192.08**	**$1,668.90**
HMO Plan	**$616.44**	**$1,232.88**	**$1,726.06**

2018 BCBS Total Rebate amount YTD is $3,924.



	Client Budget	% Total Cost vs. Client Budget
Jul-18	$ 947,999	56.7%
Aug-18	$ 954,317	110.8%
Sep-18	$ 956,842	93.3%
Oct-18	$ 955,712	113.3%
Nov-18	$ 953,879	82.2%
Dec-18	$ 951,655	99.0%
Jan-19		
Feb-19		
Mar-19		
Apr-19		
May-19		
Jun-19		
Total	**$ 5,720,403**	**92.6%**

City of Surprise

Paid Claims and Administration

Plan Year: July 2018 to June 2019 (as of December 2018)

Incurred and Paid

BlueCross BlueShield of Arizona & Optum Rx - PPO Plan											Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-18	390	$ 423,163	$ 498,606	$ 112,368	$ 58,063	$ -	$ -	$ 170,430	$ 47,104	$ 217,534	40.3%	34.2%	$288.12	$148.88	$437.00	$557.78
Aug-18	395	$ 428,681	$ 505,097	$ 245,311	$ 79,919	$ -	$ -	$ 325,230	$ 47,708	$ 372,938	75.9%	64.4%	$621.04	$202.33	$823.37	$944.15
Sep-18	398	$ 433,632	$ 510,722	$ 290,858	$ 50,099	$ -	$ -	$ 340,957	$ 48,070	$ 389,027	78.6%	66.8%	$730.80	$125.88	$856.68	$977.46
Oct-18	399	$ 434,089	$ 511,338	$ 363,683	$ 82,966	$ -	$ -	$ 446,649	$ 48,191	$ 494,840	102.9%	87.3%	$911.49	$207.93	$1,119.42	$1,240.20
Nov-18	400	$ 433,506	$ 510,857	$ 263,875	$ 68,898	$ -	$ -	$ 332,772	$ 48,312	$ 381,084	76.8%	65.1%	$659.69	$172.24	$831.93	$952.71
Dec-18	401	$ 433,501	$ 510,985	$ 330,947	$ 50,739	$ -	$ -	$ 381,686	$ 48,433	$ 430,118	88.0%	74.7%	$825.30	$126.53	$951.83	$1,072.61
Jan-19																
Feb-19																
Mar-19																
Apr-19																
May-19																
Jun-19																
Total	**2,383**	**$ 2,586,573**	**$ 3,047,605**	**$ 1,607,041**	**$ 390,683**	**$ -**	**$ -**	**$ 1,997,723**	**$ 287,819**	**$ 2,285,542**	**77.2%**	**65.6%**	**$674.38**	**$163.95**	**$838.32**	**$959.10**
Avg	**397**															

Administrative Fees	PPO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$49.76	$49.76	$49.76
Specific Stoploss 12/24 $250,000 ISL	$65.92	$65.92	$65.92
Aggregate Stoploss (125%)	$5.10	$5.10	$5.10
Total Admin Fees	**$120.78**	**$120.78**	**$120.78**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$456.81**	**$1,034.39**	**$1,496.44**
Maximum Liability (ICAP)	**$615.74**	**$1,225.05**	**$1,712.49**

Client Budget	Employee	Emp + 1 Dep	EE + Family
	$596.04	**$1,192.08**	**$1,668.90**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	125	66	199	390
August	126	68	201	395
September	126	67	205	398
October	127	67	205	399
November	129	67	204	400
December	130	68	203	401
January				
February				
March				
April				
May				
June				
Totals	**763**	**403**	**1,217**	**2,383**

Month	Client Budget	% Total Cost vs. Client Budget
Jul-18	$ 485,293	44.8%
Aug-18	$ 491,611	75.9%
Sep-18	$ 497,095	78.3%
Oct-18	$ 497,691	99.4%
Nov-18	$ 497,214	76.6%
Dec-18	$ 497,333	86.5%
Jan-19		
Feb-19		
Mar-19		
Apr-19		
May-19		
Jun-19		
Total	**$ 2,966,238**	**77.1%**

City of Surprise

Paid Claims and Administration

Plan Year: July 2018 to June 2019 (as of December 2018)

Incurred and Paid

BlueCross BlueShield of Arizona & Optum Rx - HMO Plan											Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-18	320	$ 409,905	$ 472,760	$ 161,862	$ 114,336	$ -	$ -	$ 276,199	$ 38,474	$ 314,672	67.4%	58.4%	$505.82	$357.30	$863.12	$983.35
Aug-18	320	$ 409,905	$ 472,760	$ 564,736	$ 80,091	$ -	$ -	$ 644,828	$ 38,474	$ 683,301	157.3%	136.4%	$1,764.80	$250.29	$2,015.09	$2,135.32
Sep-18	317	$ 407,398	$ 469,731	$ 435,826	$ 99,776	$ -	$ (75,627)	$ 459,974	$ 38,113	$ 498,087	112.9%	97.9%	$1,374.84	$314.75	$1,689.59	$1,571.25
Oct-18	316	$ 405,846	$ 467,968	$ 545,888	$ 89,135	$ -	$ (90,880)	$ 544,143	$ 37,993	$ 582,135	134.1%	116.3%	$1,727.49	$282.07	$2,009.57	$1,842.20
Nov-18	314	$ 404,772	$ 466,576	$ 383,542	$ 46,135	$ -	$ (68,978)	$ 360,699	$ 37,752	$ 398,451	89.1%	77.3%	$1,221.47	$146.93	$1,368.40	$1,268.95
Dec-18	313	$ 402,622	$ 464,186	$ 371,449	$ 101,153	$ -	$ (3,097)	$ 469,504	$ 37,632	$ 507,136	116.6%	101.1%	$1,186.74	$323.17	$1,509.91	$1,620.24
Jan-19																
Feb-19																
Mar-19																
Apr-19																
May-19																
Jun-19																
Total	**1,900**	**$ 2,440,447**	**$ 2,813,981**	**$ 2,463,304**	**$ 530,626**	**$ -**	**$ (238,583)**	**$ 2,755,347**	**$ 228,437**	**$ 2,983,784**	**112.9%**	**97.9%**	**$1,296.48**	**$279.28**	**$1,575.75**	**$1,570.41**
Avg	**317**															

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$49.76	$49.76	$49.76
Specific Stoploss 12/24 $250,000 ISL	$65.92	$65.92	$65.92
Aggregate Stoploss (125%)	$4.55	$4.55	$4.55
Total Admin Fees	**$120.23**	**$120.23**	**$120.23**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$477.13**	**$1,074.48**	**$1,552.38**
Maximum Liability (ICAP)	**$633.55**	**$1,260.63**	**$1,762.31**

Client Budget	Employee	Emp + 1 Dep	EE + Family
	$616.44	**$1,232.88**	**$1,726.06**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	55	58	207	320
August	55	58	207	320
September	53	58	206	317
October	53	58	205	316
November	52	56	206	314
December	53	55	205	313
January				
February				
March				
April				
May				
June				
Totals	**321**	**343**	**1,236**	**1,900**

Month	Client Budget	% Total Cost vs. Client Budget
Jul-18	$ 462,706	68.0%
Aug-18	$ 462,706	147.7%
Sep-18	$ 459,747	108.3%
Oct-18	$ 458,021	127.1%
Nov-18	$ 456,665	87.3%
Dec-18	$ 454,322	111.6%
Jan-19		
Feb-19		
Mar-19		
Apr-19		
May-19		
Jun-19		
Total	**$ 2,754,165**	**108.3%**

City of Surprise

Paid Claims and Administration

Plan Year: July 2017 to June 2018 with Runout (as of December 2018)

Incurred and Paid

BlueCross BlueShield of Arizona and Optum Rx- All Plans													Loss Ratio		PEPM Costs				
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims Includes Optum Rx Rebates*	Blue Card Claims Expense & Misc.	Capitation Fees	Value Based Services	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims & Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Paid Claims Net Stop Loss Reimburse-ment PEPM	Total Claims & Fees PEPM
Jul-17	691	$ 840,942	$ 1,051,177	$ 226,493	$ 81,653	$ 180	$ 3,310	$ -	$ -	$ 311,636	$ 80,041	$ 391,677	37.1%	29.6%	$332.83	$118.17	$450.99	$450.99	$566.83
Aug-17	694	$ 844,150	$ 1,055,187	$ 509,473	$ 150,218	$ 208	$ 3,362	$ 1,139	$ -	$ 664,400	$ 80,391	$ 744,790	78.7%	63.0%	$739.26	$216.45	$957.35	$957.35	$1,073.19
Sep-17	703	$ 852,624	$ 1,065,780	$ 537,970	$ 154,662	$ 831	$ 3,430	$ 1,160	$ -	$ 698,053	$ 81,436	$ 779,490	81.9%	65.5%	$771.31	$220.00	$992.96	$992.96	$1,108.80
Oct-17	699	$ 846,843	$ 1,058,553	$ 583,312	$ 133,054	$ 488	$ 3,413	$ 1,088	$ -	$ 721,355	$ 80,972	$ 802,327	85.2%	68.1%	$840.08	$190.35	$1,031.98	$1,031.98	$1,147.82
Nov-17	695	$ 843,012	$ 1,053,764	$ 674,350	$ 166,342	$ 3,107	$ 3,351	$ 1,092	$ -	$ 848,242	$ 80,508	$ 928,750	100.6%	80.5%	$979.58	$239.34	$1,220.49	$1,220.49	$1,336.33
Dec-17	696	$ 842,916	$ 1,053,645	$ 598,440	$ 151,590	$ 629	$ 3,421	$ 1,125	$ -	$ 755,205	$ 80,625	$ 835,830	89.6%	71.7%	$865.65	$217.80	$1,085.06	$1,085.06	$1,200.91
Jan-18	702	$ 848,307	$ 1,060,384	$ 701,237	$ 207,820	$ 311	$ 3,448	$ 1,148	$ -	$ 913,965	$ 81,320	$ 995,285	107.7%	86.2%	$1,004.27	$296.04	$1,301.94	$1,301.94	$1,417.78
Feb-18	702	$ 845,969	$ 1,057,462	$ 415,478	$ 135,498	$ 137	$ 3,462	$ 1,111	$ -	$ 555,686	$ 81,323	$ 637,009	65.7%	52.5%	$596.98	$193.02	$791.58	$791.58	$907.42
Mar-18	706	$ 852,341	$ 1,065,426	$ 495,739	$ 127,417	$ 229	$ 3,483	$ 1,643	$ -	$ 628,512	$ 81,788	$ 710,300	73.7%	59.0%	$707.44	$180.48	$890.24	$890.24	$1,006.09
Apr-18	707	$ 853,803	$ 1,067,254	$ 480,632	$ 136,050	$ 385	$ 3,541	$ 1,430	$ (1,116)	$ 620,922	$ 81,905	$ 702,827	72.7%	58.2%	$685.37	$192.43	$879.83	$878.25	$994.10
May-18	708	$ 856,735	$ 1,070,919	$ 551,406	$ 150,597	$ 315	$ 3,525	$ 1,360	$ (2,657)	$ 704,547	$ 82,021	$ 786,569	82.2%	65.8%	$784.25	$212.71	$998.88	$995.12	$1,110.97
Jun-18	708	$ 856,611	$ 1,070,763	$ 662,491	$ 134,625	$ 406	$ 3,547	$ 1,228	$ (5,990)	$ 796,307	$ 82,022	$ 878,329	93.0%	74.4%	$941.30	$190.15	$1,133.19	$1,124.73	$1,240.58
Total	**8,411**	**$ 10,184,252**	**$ 12,730,316**	**$ 6,437,020**	**$ 1,729,527**	**$ 7,224**	**$ 41,294**	**$ 13,526**	**$ (9,762)**	**$ 8,218,830**	**$ 974,352**	**$ 9,193,182**	**80.7%**	**64.6%**	**$771.08**	**$205.63**	**$978.31**	**$977.15**	**$1,093.00**
Avg	**701**																		

BCBS Runout							
Month	Paid Medical	Paid Rx	Optum Rx Rebates	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery	Total Paid Claims
Jul-18	$ 320,216	$ -	$ (107,496)	$ 76	$ 6	$ (5,606)	$ 207,195
Aug-18	$ 115,408	$ -	$ -	$ 271	$ 8	$ -	$ 115,688
Sep-18	$ 116,940	$ -	$ -	$ 28	$ -	$ -	$ 116,968
Oct-18	$ 93,868	$ -	$ (98,937)	$ 10	$ -	$ (514)	$ (5,573)
Nov-18	$ 8,173	$ (295)	$ -	$ 15	$ -	$ -	$ 7,892
Dec-18	$ 8,774	$ -	$ -	$ 13	$ -	$ (2,879)	$ 5,908
Jan-19							$ -
Feb-19							$ -
Mar-19							$ -
Apr-19							$ -
May-19							$ -
Jun-19							$ -
Total	**$ 663,379**	**$ (295)**	**$ (206,433)**	**$ 413**	**$ 14**	**$ (8,999)**	**$ 448,079**

2017-2018 Medical Plan Costs with Runout

Total Claims Incurred for Time Period	Total Stop Loss Recovery	Total Paid Claims Net Runout	Total Admin Fees	Total Paid Claims and Admin Costs	% Actual Claims vs. Expected	% Actual Claims vs. Maximum Claim Liability	Total Paid Claims & Admin Costs PEPM	Client Budget	% Total Cost vs. Client Budget
$ 8,685,669	**$ (18,761)**	**$8,666,909**	**$ 974,352**	**$9,641,260**	**85.1%**	**68.1%**	**$ 1,146.27**	**$ 10,959,823**	**88.0%**

Specific Stoploss 12/24 $250,000 ISL

Aggregate Stoploss (125%)

1/2017-12/2017 BCBS Rx Rebates total $126.34.

City of Surprise

Paid Claims and Administration

Plan Year: July 2016 to June 2017 with Runout

Incurred and Paid

BlueCr

Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims Includes Optum Rx Rebates*	Blue Card Claims Expense & Misc.	Capitation Fees	Value Based Services	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims & Admin Fees	Loss Ratio: Actual Claims vs Expected Claims Liability	Loss Ratio: Actual Claims vs Maximum Claims Liability	PEPM Costs: Medical Claims Paid PEPM	PEPM Costs: Rx Claims Paid PEPM	PEPM Costs: Total Claims Paid PEPM	PEPM Costs: Total Paid Claims Net Stop Loss Reimburse-ment PEPM	PEPM Costs: Total Claims & Fees PEPM
Jul-16	647	$ 768,856	$ 961,070	$ 192,964	$ 61,092	$ 230	$ 2,983	$ -	$ -	$ 257,269	$ 103,436	$ 360,705	33.5%	26.8%	$303.21	$94.42	$397.63	$397.63	$557.50
Aug-16	657	$ 780,068	$ 975,085	$ 643,671	$ 105,569	$ 375	$ 3,099	$ 821	$ -	$ 753,534	$ 105,039	$ 858,573	96.6%	77.3%	$985.00	$160.68	$1,146.93	$1,146.93	$1,306.81
Sep-16	664	$ 787,094	$ 983,867	$ 418,333	$ 123,568	$ 241	$ 3,148	$ 791	$ -	$ 546,081	$ 106,160	$ 652,242	69.4%	55.5%	$635.12	$186.10	$822.41	$822.41	$982.29
Oct-16	664	$ 788,227	$ 985,284	$ 497,529	$ 104,967	$ 225	$ 3,224	$ 791	$ -	$ 606,735	$ 106,163	$ 712,898	77.0%	61.6%	$754.48	$158.08	$913.76	$913.76	$1,073.64
Nov-16	670	$ 791,713	$ 989,641	$ 506,780	$ 183,792	$ 303	$ 3,240	$ 758	$ -	$ 694,873	$ 107,124	$ 801,997	87.8%	70.2%	$761.68	$274.32	$1,037.12	$1,037.12	$1,197.01
Dec-16	669	$ 773,576	$ 966,970	$ 528,008	$ 202,460	$ 2,186	$ 3,231	$ 767	$ -	$ 736,651	$ 106,964	$ 843,615	95.2%	76.2%	$797.35	$302.63	$1,101.12	$1,101.12	$1,261.01
Jan-17	674	$ 780,483	$ 975,604	$ 624,228	$ 103,068	$ 1,764	$ 3,272	$ 1,064	$ (2,729)	$ 730,667	$ 107,765	$ 838,432	93.6%	74.9%	$933.63	$152.92	$1,088.12	$1,084.08	$1,243.96
Feb-17	685	$ 791,874	$ 989,842	$ 516,627	$ 147,831	$ 449	$ 3,380	$ -	$ (14,728)	$ 653,558	$ 109,527	$ 763,085	82.5%	66.0%	$759.79	$215.81	$975.60	$954.10	$1,113.99
Mar-17	691	$ 795,834	$ 994,792	$ 615,240	$ 127,281	$ 354	$ 3,424	$ -	$ (40,468)	$ 705,831	$ 110,488	$ 816,319	88.7%	71.0%	$895.83	$184.20	$1,080.03	$1,021.46	$1,181.36
Apr-17	684	$ 789,625	$ 987,032	$ 625,437	$ 151,178	$ 226	$ 3,374	$ -	$ (40,541)	$ 739,674	$ 109,368	$ 849,042	93.7%	74.9%	$919.64	$221.02	$1,140.66	$1,081.40	$1,241.29
May-17	686	$ 790,352	$ 987,941	$ 607,182	$ 134,585	$ 1,845	$ 3,372	$ 3,183	$ (21,707)	$ 728,460	$ 109,689	$ 838,148	92.2%	73.7%	$892.71	$196.19	$1,093.54	$1,061.89	$1,221.79
Jun-17	687	$ 789,349	$ 986,686	$ 640,393	$ 150,334	$ 531	$ 3,393	$ 2,165	$ (22,257)	$ 774,560	$ 109,850	$ 884,409	98.1%	78.5%	$937.87	$218.83	$1,159.85	$1,127.45	$1,287.35
Total	**8,078**	**$ 9,427,051**	**$ 11,783,814**	**$ 6,416,391**	**$ 1,595,725**	**$ 8,729**	**$ 39,139**	**$ 10,340**	**$ (142,430)**	**$ 7,927,894**	**$ 1,291,572**	**$ 9,219,466**	**84.1%**	**67.3%**	**$800.23**	**$197.54**	**$999.05**	**$981.42**	**$1,141.31**
Avg	**673**																		

BCBS Runout

Month	Paid Medical	Paid Rx	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery	Total Paid Claims
Jul-17	$ 381,280	$ 56,575	$ 213	$ (53)	$ (142,105)	$ 295,910
Aug-17	$ 140,903	$ 216	$ 86	$ (43)	$ (46,122)	$ 95,039
Sep-17	$ 59,704	$ -	$ -	$ (24)	$ 4,155	$ 63,835
Oct-17	$ 10,134	$ (3)	$ 145	$ -	$ (325)	$ 9,951
Nov-17	$ 3,920	$ -	$ -	$ -	$ -	$ 3,920
Dec-17	$ 4,071	$ 292	$ 36	$ -	$ -	$ 4,399
Jan-18	$ 6,573	$ -	$ (3)	$ -	$ -	$ 6,570
Feb-18	$ 1,529	$ -	$ 30	$ -	$ (463)	$ 1,095
Mar-18	$ 3,168	$ -	$ -	$ -	$ -	$ 3,168
Apr-18	$ 6,442	$ -	$ -	$ -	$ -	$ 6,442
May-18	$ 114	$ -	$ -	$ -	$ -	$ 114
Jun-18	$ 399	$ -	$ -	$ -	$ -	$ 399
Total	**$ 618,239**	**$ 57,080**	**$ 506**	**$ (120)**	**$ (184,861)**	**$ 490,844**
Runout Pd in 18-19	**$ (6,098)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (6,098)**

2016-2017 Medical Plan Costs with Runout

Total Claims Incurred for Time Period	Total Stop Loss Recovery	Total Paid Claims Net Runout	Total Admin Fees	Total Paid Claims and Admin Costs	% Actual Claims vs. Expected	% Actual Claims vs. Maximum Claim Liability	Total Paid Claims & Admin Costs PEPM	Client Budget	% Total Cost vs. Client Budget
$ 8,739,930	($327,291)	$ 8,412,640	$ 1,291,572	$9,704,212	89.2%	71.4%	$ 1,201.31	$ 10,461,364	92.8%

Specific Stoploss 12/24 $125,000 ISL

Aggregate Stoploss (125%)

Rx Optum credits totalled $19,626 for the year. This credit was provided by BCBS for a network discount guarantee based on Optum Rx performance.

City of Surprise
Plan Year: July 2018 to June 2019 (as of December 2018)
Annual Cost Comparison Analysis
Incurred and Paid - 2017/2018 vs. 2018/2019

Cost Categories	2017/2018 with Runout	PEPM Costs	2018/2019 Estimated Annual	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$7,100,399	$844.18	$9,089,951	$1,061.17	28.02%	$1,989,552	25.7%	$216.99
Rx Claims Costs**	$1,729,527	$205.63	$1,834,771	$214.19	6.09%	$105,243	4.2%	$8.57
Rx Rebates	($206,433)	($24.54)	($459,000)	($53.58)	122.35%	($252,567)	118.3%	($29.04)
Blue Card, Captitation Expenses & Misc.	$62,471	$7.43	$60,299	$7.04	-3.48%	($2,172)	-5.2%	($0.39)
Stop Loss Recoveries***	($18,761)	($2.23)	($238,583)	($27.85)				
Admin Fees	$974,352	$115.84	$1,032,511	$120.54	5.97%	$58,160	4.1%	$4.69
Total Costs	**$9,641,556**	**$1,146.30**	**$11,319,950**	**$1,321.50**	**17.4%**	**$1,678,394**	**15.3%**	**$175.19**

PEPM Total Cost History		Increase/ Decrease
2014/2015	$1,079.93	
2015/2016	$1,160.82	7.5%
2016/2017	$1,202.07	3.6%
2017/2018	$1,170.85	-2.6%
2018/2019	$1,321.50	12.9%

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,411	8,566	1.84%	$155

*2018/2019 Medical Claims Costs includes an escalator of 5% and a 10% completion factor
***Stop Loss Recoveries are not annualized

Incurred and Paid - 2016/2017 vs. 2017/2018

Cost Categories	2016/2017 with Runout	PEPM Costs	2017/2018 with Runout	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$7,034,630	$870.84	$7,100,399	$844.18	0.93%	$65,769	-3.1%	($26.66)
Rx Claims Costs (Including Rx Rebates)	$1,652,805	$204.61	$1,729,527	$205.63	4.64%	$76,723	0.5%	$1.02
Blue Card, Captitation Expenses & Misc.	$58,594	$7.25	$62,471	$7.43	6.62%	$3,878	2.4%	$0.17
Stop Loss Recoveries	($327,291)	($40.52)	($18,761)	($2.23)				
Admin Fees	$1,291,572	$159.89	$974,352	$115.84	-24.56%	($317,221)	-27.5%	($44.05)
Total Costs	**$9,710,310**	**$1,202.07**	**$9,847,989**	**$1,170.85**	**1.4%**	**$137,679**	**-2.6%**	**($31.22)**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,078	8,411	4.1%	333

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

Plan Year: July 2018 to June 2019 (as of December 2018)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Description	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Qtr	Previous Quarter's YTD Paid Claims	Change from Prior Quarter's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
1	A021	Y	Termed 12/1/18	HMO	Heart Replaced By Transplant	$483,934	$4,649	$488,583	$325,627	$162,956	100.0%	($238,583)	$250,000
2	B001	N	Active	HMO	Non-Hodgkin Lymphoma, Unspecified, Lymph Nodes Of Multiple Sites	$234,638	$29	$234,666	$102,095	$132,571	93.9%		$234,666
3	B002	N	Active	PPO	Pressure Ulcer, Hip	$135,637	$523	$136,160	$69,497	$66,663	54.5%		$136,160
4	B005	N	Active	PPO	Other Postprocedural Complications And Disorders Of Digestive Syste	$116,975	$24	$116,999	$0	$116,999	46.8%		$116,999
5	B006	N	Active	HMO	Maternal Care For Transverse And Oblique Lie, Other Fetus	$80,136	$0	$80,136	$0	$80,136	32.1%		$80,136
6	B007	N	Active	HMO	Spondylolisthesis, Lumbar Region	$78,783	$0	$78,783	$0	$78,783	31.5%		$78,783
7	A017	Y	Active	HMO	Rheumatoid Arthritis	$68,980	$484	$69,464	$0	$69,464	27.8%		$69,464
8	A019	Y	Active	PPO	Pneumonia, Organism Unspecified Septicemia	$67,410	$0	$67,410	$52,449	$14,961	27.0%		$67,410
9	B003	N	Active	HMO	Atherosclerosis Of Arteries Of The Extremities	$64,494	$109	$64,604	$62,726	$1,877	25.8%		$64,604
10	A007	N	Active	PPO	Iron Deficiency Anemia, Unspecified	$999	$63,505	$64,503	$0	$64,503	25.8%		$64,503
11	B004	N	Active	HMO	Unspecified Septicemia	$58,746	$0	$58,746	$58,578	$168	23.5%		$58,746
					Total	$1,390,732	$69,322	$1,460,054	$670,972	$789,082		($238,583)	$1,221,471
					Percentage of Large Claims vs. Medical & Rx Claims			29.3%					

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

Plan Year: July 2017 to June 2018 (as of December 2018)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Description	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Qtr	Previous Quarter's YTD Paid Claims	Change from Prior Quarter's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
1	A003	Y	Active	PPO	Pathologic Fracture of Neck of Femur	$263,169	$5,591	$268,761	$265,368	$3,392	100.0%	($18,761)	$250,000
2	A019	N	Active	PPO	Pneumonia, Organism Unspecified	$227,887	$368	$228,255	$149,725	$78,529	91.3%		$228,255
3	A011	N	Active	HMO	Fracture of Shaft of Femur, closed	$182,307	$4,071	$186,378	$186,378	$0	74.6%		$186,378
4	A007	Y	Active	PPO	Iron Deficiency Anemia, Unspecified	$4,120	$157,630	$161,750	$161,750	$0	64.7%		$161,750
5	A021	Y	Active	HMO	Complications Heart Replaced By Transplant	$125,972	$14,873	$140,844	$140,936	-$92	56.3%		$140,844
6	A004	N	Active	HMO	Anorexia Nervosa	$121,942	$687	$122,628	$122,628	$0	49.1%		$122,628
7	A013	Y	Active	HMO	Panhypopituitarism	$470	$118,602	$119,072	$119,072	$0	47.6%		$119,072
8	A005	N	Active	PPO	Scoliosis (And Kyphoscoliosis), Idiopathic	$108,654	$14	$108,668	$108,668	$0	43.5%		$108,668
9	A014	N	Active	HMO	Spinal Stenosis In Cervical Region	$98,283	$2,893	$101,175	$101,175	$0	40.5%		$101,175
10	A006	N	Active	HMO	Spinal Stenosis, Lumbar Region, Without Neurogenic Claudication	$90,191	$598	$90,789	$90,786	$3	36.3%		$90,789
11	A027	N	Active	PPO	Asymptomatic Varicose Veins	$85,643	$4,458	$90,101	$90,101	$0	36.0%		$90,101
12	A001	N	Active	PPO	Spinal Stenosis, Lumbar Region, Without Neurogenic Claudication	$84,604	$105	$84,710	$84,707	$3	33.9%		$84,710
13	A020	N	Active	PPO	Infantile Autism, Current Or Active State	$75,417	$14	$75,431	$75,431	$0	30.2%		$75,431
14	A017	N	Active	HMO	Rheumatoid Arthritis	$68,415	$5,518	$73,933	$73,933	$0	29.6%		$73,933
15	A008	N	Active	PPO	Other Specified Complications Of Pregnancy, With Delivery	$71,897	$18	$71,915	$71,867	$48	28.8%		$71,915
16	A010	N	Active	HMO	Acquired Spondylolisthesis	$65,583	$2,707	$68,291	$68,288	$3	27.3%		$68,291
17	A016	N	Active	HMO	Acute Myocardial Infarction, Subendocardial Infarction, Init	$65,719	$2,240	$67,959	$67,959	$0	27.2%		$67,959
18	A022	N	Active	PPO	Type II Or Unspecified Type Diabetes Mellitus	$61,971	$3,311	$65,282	$65,258	$24	26.1%		$65,282
19	A015	N	Active	HMO	Contusion Of Lung Without Open Wound Into Thorax	$64,371	$0	$64,371	$64,371	$0	25.7%		$64,371
20	A009	Y	Active	HMO	Generalized Anxiety Disorder	$175	$63,533	$63,709	$63,709	$0	25.5%		$63,709
21	A023	Y	Active	HMO	Cholesteatoma Of Attic	$19,750	$41,991	$61,741	$61,741	$0	24.7%		$61,741
22	A025	N	Active	PPO	Pressure Ulcer, Hip	$58,631	$678	$59,310	$59,303	$6	23.7%		$59,310
23	A024	Y	Active	PPO	Multiple Sclerosis	$315	$55,841	$56,156	$56,156	$0	22.5%		$56,156
24	A002	N	Active	PPO	Broken Prosthetic Joint Implant	$54,628	$334	$54,961	$54,867	$95	22.0%		$54,961

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

Plan Year: July 2017 to June 2018 (as of December 2018)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Description	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Qtr	Previous Quarter's YTD Paid Claims	Change from Prior Quarter's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
25	A012	N	Termed 2/2018	PPO	Atrial Fibrillation	$53,914	$188	$54,102	$54,102	$0	21.6%		$54,102
26	A026	N	Active	HMO	Opioid Type Dependence, Continuous Use	$53,968	$70	$54,038	$51,699	$2,339	21.6%		$54,038
27	A018	N	Active	HMO	Other Psoriasis And Similar Disorders	$50,144	$199	$50,343	$50,343	$0	20.1%		$50,343
					Total	$2,158,140	$486,531	$2,644,671	$2,560,321	$84,350		($18,761)	$2,625,911
					Percentage of Large Claims vs. Medical & Rx Claims			29.9%					

Dental Reports

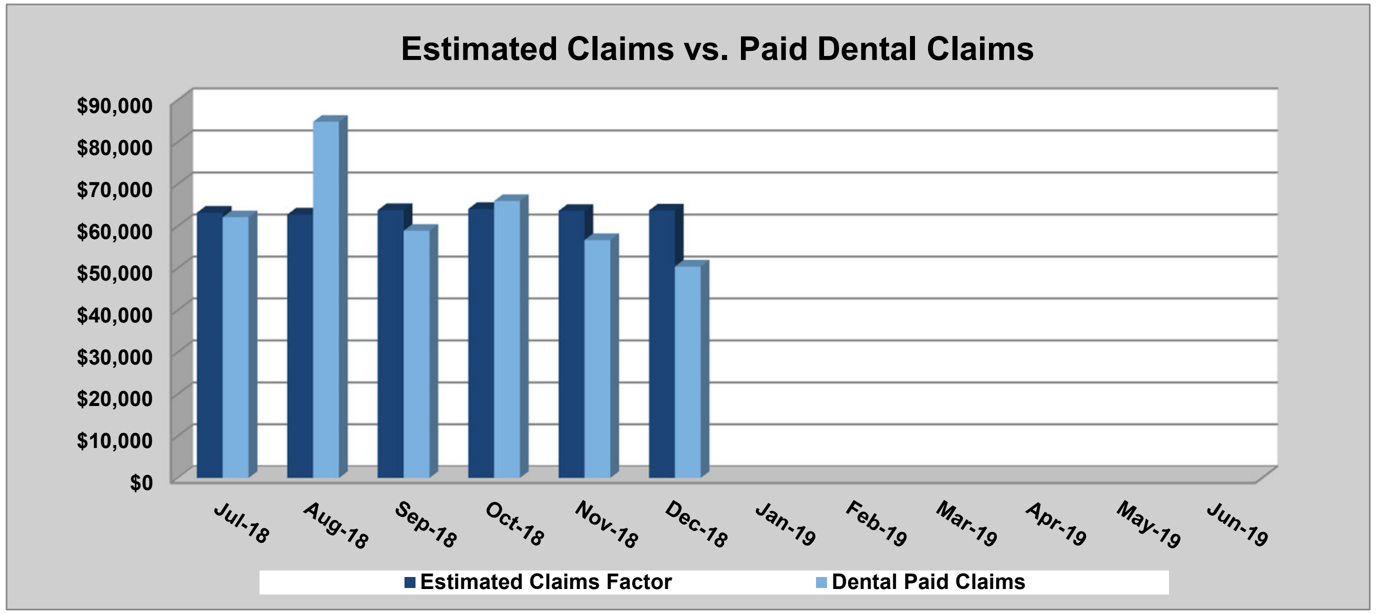
City of Surprise
Metlife Dental Self Funded Paid Claims
Plan Year: July 2018 to June 2019 (as of December 2018)

	MetLife Dental					Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Dental Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Dental Paid Claims PEPM	Total Plan Costs PEPM
Jul-18	734	$63,219	$3,920	$62,128	$66,048	98.3%	$84.64	$89.98
Aug-18	729	$62,789	$3,893	$84,852	$88,745	135.1%	$116.39	$121.73
Sep-18	741	$63,822	$3,957	$58,892	$62,849	92.3%	$79.48	$84.82
Oct-18	744	$64,081	$3,973	$65,983	$69,956	103.0%	$88.69	$94.03
Nov-18	739	$63,650	$3,946	$56,676	$60,622	89.0%	$76.69	$82.03
Dec-18	740	$63,736	$3,952	$50,384	$54,335	79.1%	$68.09	$73.43
Jan-19								
Feb-19								
Mar-19								
Apr-19								
May-19								
Jun-19								
Total	**4,427**	**$381,298**	**$23,640**	**$378,915**	**$402,555**	**99.4%**	**$85.59**	**$90.93**
Avg PEPM Enrollment	**738**							

Admin Fees	Employee
Administration	$5.34

Claim Expenses	
Estimated Claim Factor	$86.13

Premium Equivalent Rates		
EE	EE + 1	Family
$38.48	$76.26	$123.54



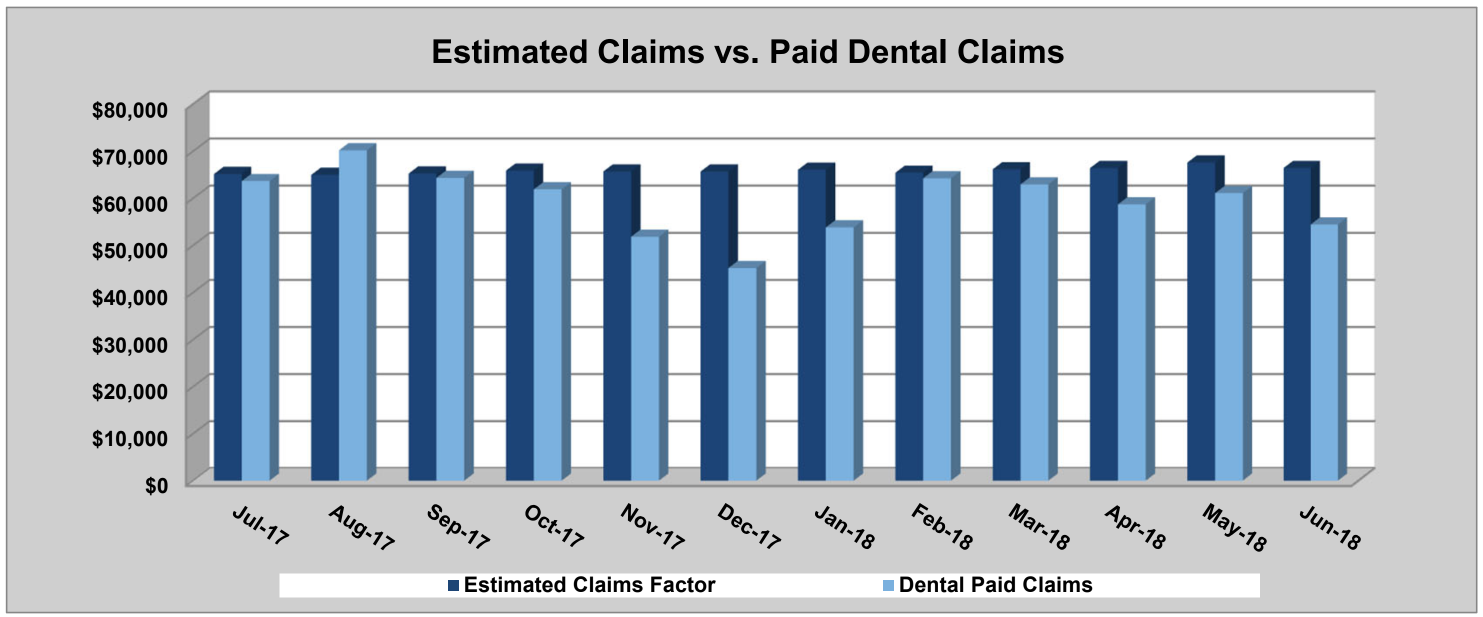
City of Surprise
Metlife Dental Self Funded Paid Claims
Plan Year: July 2017 to June 2018

MetLife Dental						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Dental Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Dental Paid Claims PEPM	Total Plan Costs PEPM
Jul-17	718	$65,144	$3,482	$63,650	$67,132	97.7%	$88.65	$93.50
Aug-17	716	$64,963	$3,473	$70,197	$73,670	108.1%	$98.04	$102.89
Sep-17	719	$65,235	$3,487	$64,327	$67,814	98.6%	$89.47	$94.32
Oct-17	726	$65,870	$3,521	$61,889	$65,410	94.0%	$85.25	$90.10
Nov-17	724	$65,689	$3,511	$51,834	$55,345	78.9%	$71.59	$76.44
Dec-17	724	$65,689	$3,511	$45,194	$48,705	68.8%	$62.42	$67.27
Jan-18	728	$66,051	$3,531	$53,811	$57,342	81.5%	$73.92	$78.77
Feb-18	721	$65,416	$3,497	$64,247	$67,744	98.2%	$89.11	$93.96
Mar-18	729	$66,142	$3,536	$62,940	$66,476	95.2%	$86.34	$91.19
Apr-18	732	$66,414	$3,550	$58,686	$62,236	88.4%	$80.17	$85.02
May-18	745	$67,594	$3,613	$61,097	$64,710	90.4%	$82.01	$86.86
Jun-18	732	$66,414	$3,550	$54,427	$57,977	81.9%	$74.35	$79.20
Total	**8,714**	**$790,621**	**$42,263**	**$712,298**	**$754,561**	**90.1%**	**$81.74**	**$86.59**
Avg PEPM Enrollment	726							

Admin Fees	Employee
Administration	$4.85

Claim Expenses	
Estimated Claim Factor	$90.73

Premium Equivalent Rates		
EE	EE + 1	Family
$38.48	$76.26	$123.54



City of Surprise

MetLife Dental Claims

Plan Year: July 2018 to June 2019 (as of December 2018)

Annual Cost Comparison Analysis 2017/2018 vs. 2018/2019

Cost Categories	2017/2018 Costs	PEPM Costs	2018/2019 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Dental Claims	$712,298	$81.74	$757,830	$85.59	6.4%	$45,532	4.7%	$3.85
Admin Fees	$42,263	$4.85	$47,280	$5.34	11.9%	$5,017	10.1%	$0.49
Total Costs	**$754,561**	**$86.59**	**$805,110**	**$90.93**	**6.7%**	**$50,549**	**5.0%**	**$4.34**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,714	8,854	1.6%	140

PEPM Total Cost History		Increase/ Decrease
2014/2015	**$75.97**	
2015/2016	**$86.13**	**13.4%**
2016/2017	**$85.96**	**-0.2%**
2017/2018	**$86.59**	**0.7%**
2018/2019	**$90.93**	**5.0%**

Annual Cost Comparison Analysis 2016/2017 vs. 2017/2018

Cost Categories	2016/2017 Costs	PEPM Costs	2017/2018 Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Dental Claims	$683,446	$81.11	$712,298	$81.74	4.2%	$28,852	0.8%	$0.63
Admin Fees	$40,866	$4.85	$42,263	$4.85	3.4%	$1,397	0.0%	$0.00
Total Costs	**$724,312**	**$85.96**	**$754,561**	**$86.59**	**4.2%**	**$30,249**	**0.7%**	**$0.63**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,426	8,714	3.4%	288

Vision Reports

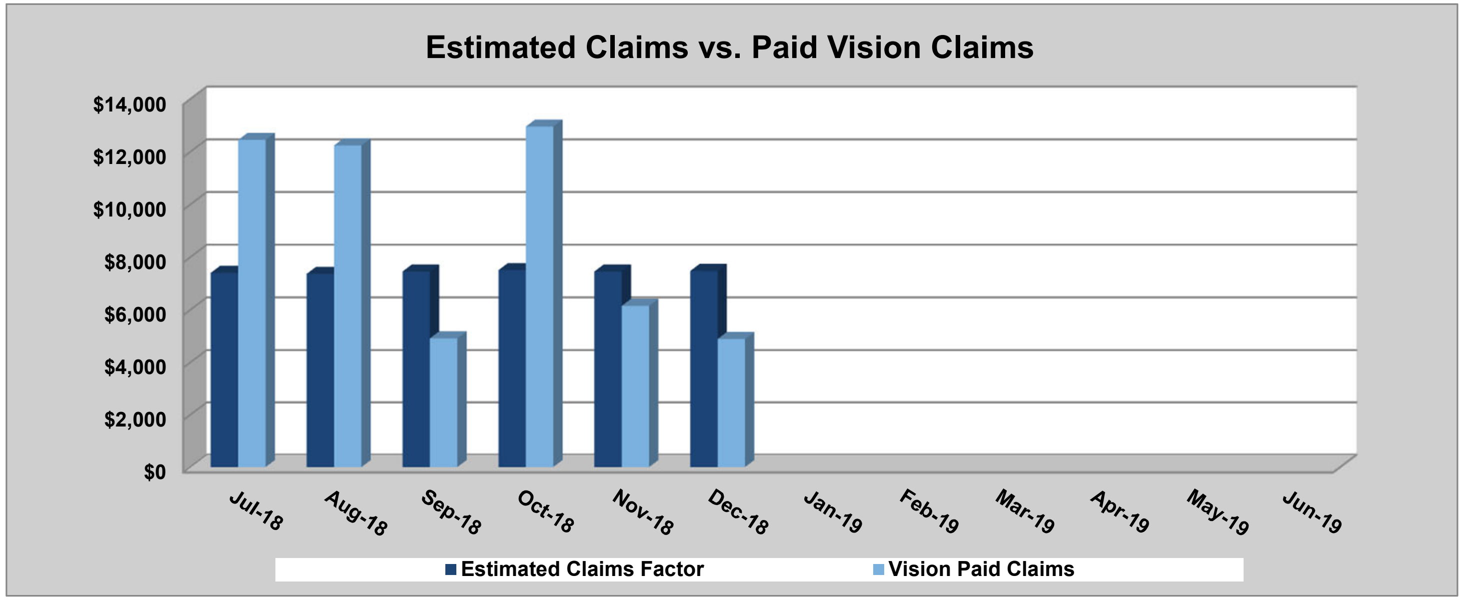
City of Surprise
Avesis Vision Self Funded Paid Claims
Plan Year: July 2018 to June 2019 (as of December 2018)

Avesis Vision						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Vision Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Vision Paid Claims PEPM	Total Plan Costs PEPM
Jul-18	736	$7,404	$702	$12,450	$13,152	168.1%	$16.92	$17.87
Aug-18	732	$7,364	$695	$12,241	$12,936	166.2%	$16.72	$17.67
Sep-18	741	$7,454	$713	$4,917	$5,630	66.0%	$6.64	$7.60
Oct-18	746	$7,505	$709	$12,958	$13,666	172.7%	$17.37	$18.32
Nov-18	741	$7,454	$704	$6,150	$6,853	82.5%	$8.30	$9.25
Dec-18	743	$7,475	$706	$4,891	$5,596	65.4%	$6.58	$7.53
Jan-19								
Feb-19								
Mar-19								
Apr-19								
May-19								
Jun-19								
Total	**4,439**	**$44,656**	**$4,228**	**$53,605**	**$57,833**	**120.0%**	**$12.08**	**$13.03**
Avg Enrollment	**740**							

Admin Fees	Employee
Administration	$0.95

Claim Expenses	
Estimated Claim Factor	$10.06

Premium Equivalent Rates	
EE	Family
$4.98	$14.10



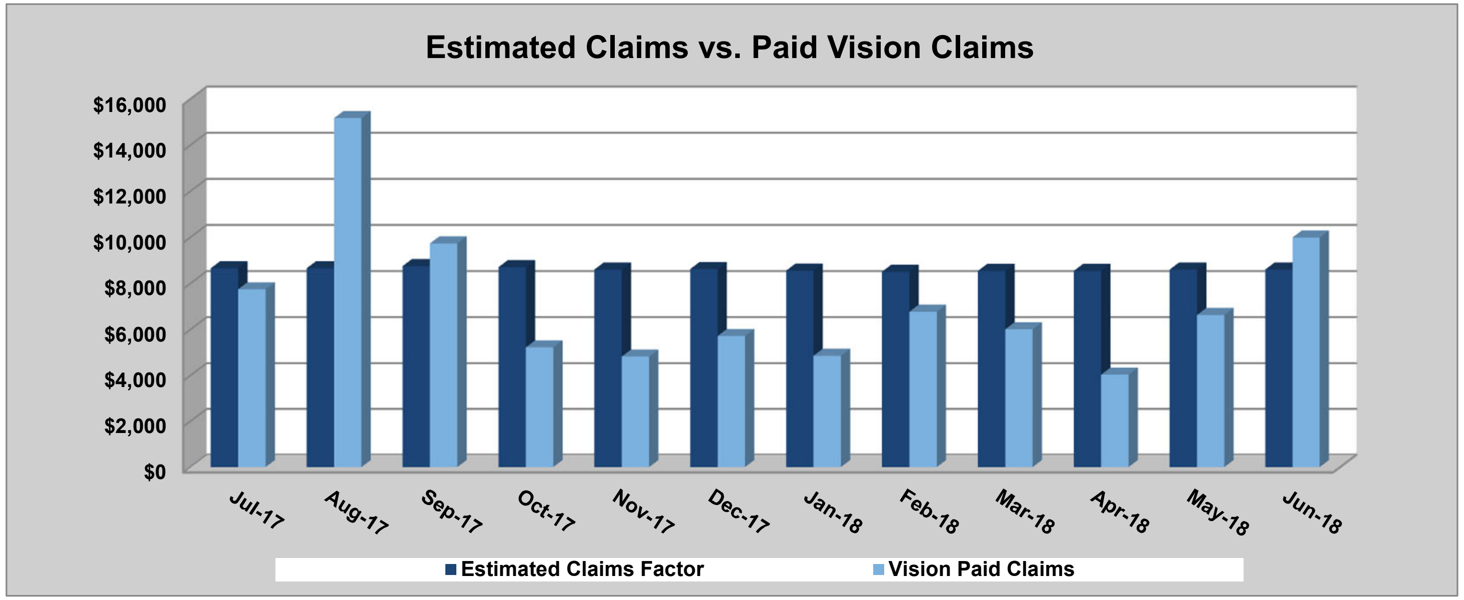
City of Surprise
Avesis Vision Self Funded Paid Claims
Plan Year: July 2017 to June 2018

Avesis Vision						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Vision Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Vision Paid Claims PEPM	Total Plan Costs PEPM
Jul-17	746	$8,661	$709	$7,747	$8,455	89.4%	$10.38	$11.33
Aug-17	746	$8,661	$709	$15,175	$15,884	175.2%	$20.34	$21.29
Sep-17	754	$8,754	$715	$9,739	$10,454	111.3%	$12.92	$13.87
Oct-17	750	$8,708	$713	$5,226	$5,939	60.0%	$6.97	$7.92
Nov-17	741	$8,603	$704	$4,825	$5,528	56.1%	$6.51	$7.46
Dec-17	743	$8,626	$706	$5,719	$6,425	66.3%	$7.70	$8.65
Jan-18	737	$8,557	$700	$4,861	$5,561	56.8%	$6.60	$7.55
Feb-18	733	$8,510	$696	$6,774	$7,470	79.6%	$9.24	$10.19
Mar-18	736	$8,545	$699	$6,012	$6,711	70.4%	$8.17	$9.12
Apr-18	736	$8,545	$701	$4,034	$4,735	47.2%	$5.48	$6.43
May-18	741	$8,603	$704	$6,633	$7,336	77.1%	$8.95	$9.90
Jun-18	741	$8,603	$704	$9,993	$10,696	116.2%	$13.49	$14.44
Total	**8,904**	**$103,375**	**$8,460**	**$86,735**	**$95,194**	**83.9%**	**$9.74**	**$10.69**
Avg Enrollment	**742**							

Admin Fees	Employee
Administration	$0.95

Claim Expenses	
Estimated Claim Factor	$11.61

Premium Equivalent Rates	
EE	Family
$4.98	$14.10



The estimated claim factor was calculated using the enrollment by tier times the 2017/18 premium equivalent rates (minus the admin fee), then divided by the total enrollment for a composite rate.

City of Surprise
Avesis Vision Claims
Plan Year: July 2018 to June 2019 (as of December 2018)

Annual Cost Comparison Analysis 2017/2018 vs. 2018/2019

Cost Categories	2017/2018 Costs	PEPM Costs	2018/2019 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Vision Claims	$86,735	$9.74	$102,210	$11.51	17.8%	$15,476	18.2%	$1.77
Admin Fees	$8,460	$0.95	$8,457	$0.95	0.0%	($3)	0.3%	$0.00
Total Costs	**$95,194**	**$10.69**	**$110,667**	**$12.47**	**16.3%**	**$15,473**	**16.6%**	**$1.77**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,904	8,878	-0.3%	-26

PEPM Total Cost History		Increase/ Decrease
2014/2015	**$9.09**	
2015/2016	**$10.33**	**13.6%**
2016/2017	**$10.42**	**0.9%**
2017/2018	**$10.69**	**2.6%**
2018/2019	**$12.47**	**16.6%**

Annual Cost Comparison Analysis 2016/2017 vs. 2017/2018

Cost Categories	2016/2017 Costs	PEPM Costs	2017/2018 Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Vision Claims	$80,683	$9.47	$86,735	$9.74	7.5%	$6,052	2.8%	$0.27
Admin Fees	$8,085	$0.95	$8,460	$0.95	4.6%	$374	0.1%	$0.00
Total Costs	**$88,768**	**$10.42**	**$95,194**	**$10.69**	**7.2%**	**$6,426**	**2.6%**	**$0.27**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,518	8,904	4.5%	386

City of Surprise PBM Summary

January 1, 2018 – December, 2018

Per Member Per Month Actual Cost Versus Projection (Accrued Basis)

BCBS Optum	Modeled Projection	Current
\$66.07	\$61.67	\$44.16 – Results thru March, 2018
		\$54.57 – Results thru June, 2018 (includes 1st Q rebates)
		\$55.73 – Results thru Sep, 2018 (includes 1st and 2nd Q rebates)
		\$54.45 – Results thru Dec, 2018 (includes 1st, 2nd and 3rd Q rebates

Rebate Recap

Projected Rebates (CY 18 - 12 months) - \$420,000

Projected Rebates Per Quarter - \$105,000

Rebate received (1st Calendar Quarter 2018) - \$107,496

Rebate received (2nd Calendar Quarter 2018) - \$98,937

Rebate received (3rd Calendar Quarter 2018) - \$108,496

Changes in utilization that are unexpected may result in a variance against targets.

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: February 27, 2019

Submitting Department: Finance

Staff Recommendations: None

Contact Person: Nick Sarpy, ACCOUNTING MGR

District: Citywide

Consent: No | Regular: No | Public Hearing: No | Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2019 2nd Quarter.

Motion:

None. Presentation and discussion only.

Background:

Staff will be presenting the city's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund financial report for FY2019 2nd Quarter. This report contains unaudited financial activity through December 31, 2018 for the Employee Healthcare Self Insurance Fund and the Workers' Compensation Fund.

Objective Analysis:

Policy Compliant:

Financial Impact:

None at this time; however, topics covered in this presentation could lead to future actions which may have fiscal impact on the fund's operation.

Budget Impact:

None at this time; however, topics covered in this presentation could lead to future actions which may have fiscal impact on the fund's operation.

FTE Impact:

ATTACHMENTS:

1. 2nd Quarter Self Insurance Fund

City of Surprise, Arizona
Employee Healthcare Self Insurance Fund and Workers' Compensation Fund
December 31, 2018

	Employee Healthcare Trust Fund	Worker's Compensation Trust Fund
ASSETS		
Current assets:		
Cash and investments	$ 5,997,006	$ 1,579,404
Other		
Prepaid services	2,730	-
Total current assets	5,999,736	1,579,404
Noncurrent assets:		
Net OPEB asset	428	35
Total noncurrent assets	428	35
Total assets	6,000,164	1,579,439
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension related	21,281	1,718
Deferred outflows of resources - OPEB related	485	39
Total deferred outflows of resources	21,766	1,757
Total assets and deferred outflows of resources	6,021,930	1,581,196
LIABILITIES		
Current liabilities:		
Accounts payable	(108)	-
Accrued payroll and benefits	-	1,860
Compensated absences payable, due in less than one year	3,767	775
Claims payable	250	-
Claims - incurred but not reported (IBNR)	586,950	-
Total current liabilities	590,859	2,635
Noncurrent liabilities:		
Compensated absences payable, greater than one year	3,821	1,070
Net pension liability	120,836	9,756
Net OPEB liability	282	23
Total noncurrent liabilities	124,939	10,849
Total liabilities	715,798	13,484
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension related	7,237	584
Deferred inflow of resources - OPEB related	524	42
Total deferred inflows of resources	7,761	626
Total liabilities and deferred inflows of resources	723,559	14,110
NET POSITION		
Restricted for:		
Committed - Industrial Commission Reserve	-	1,500,000
Committed - Adverse Claims Contingency Reserve	2,966,836	-
Unrestricted	2,331,178	67,086
Total net position	$ 5,298,014	$ 1,567,086

City of Surprise, Arizona - Employee Healthcare Self Insurance Fund
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual
For the quarter ended December 31, 2018

	F2019 Second Quarter Budget	FY 2019 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	$ 1,114,390	$ 1,052,348	$ (62,042)	(5.6%)
Dental	99,251	113,816	14,565	14.7%
Vision	9,960	12,003	2,043	20.5%
City Contributions				
Medical	4,402,414	4,526,675	124,261	2.8%
Dental	309,632	303,736	(5,896)	(1.9%)
Vision	42,259	40,122	(2,137)	(5.1%)
Cobra contributions	38,688	53,302	14,614	37.8%
Subrogation recovery	-	43,091	43,091	-
Wellness reimbursement	38,000	-	(38,000)	(100.0%)
Pharmacy rebate	-	-	-	-
Premium holiday	-	100,000	100,000	-
Interest revenue	19,588	15,006	(4,582)	(23.4%)
Total operating revenues	6,074,181	6,260,099	185,918	3.1%
OPERATING EXPENSES				
Personnel (Wages/Benefits)	50,287	59,288	(9,001)	(17.9%)
Wellness	6,887	7,120	(233)	(3.4%)
Books & subscriptions	24	60	(36)	(151.5%)
Special event hosting	-	543	(543)	-
Administration				
Medical	299,502	276,336	23,166	7.7%
Medical stop loss	369,643	411,686	(42,043)	(11.4%)
Dental	30,165	27,560	2,605	8.6%
Vision	5,932	4,929	1,003	16.9%
Claims				
Medical	4,397,453	5,501,777	(1,104,324)	(25.1%)
Dental	290,843	378,505	(87,662)	(30.1%)
Vision	50,969	53,605	(2,636)	(5.2%)
Professional outside services	70,820	44,167	26,653	37.6%
Travel & training	4,871	3,569	1,302	26.7%
Dues & membership	1,000	790	210	21.0%
Limited purpose flex spending	5,743	6,429	(686)	(12.0%)
Federal medical insurance fees	-	-	-	-
Total operating expenses	5,584,138	6,776,364	(1,192,226)	(21.4%)
Change in net position		$ (516,265)	$ (1,006,307)	

City of Surprise, Arizona - Workers' Compensation
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual
For the quarter ended December 31, 2018

	FY2019 Second Quarter Budget	FY2019 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
City Contributions				
Worker's comp	$ 486,168	$ 386,454	$ (99,714)	(20.5%)
Subrogation recovery	-	13,302	13,302	-
Interest revenue	-	5,696	5,696	-
Total operating revenues	486,168	405,452	(80,716)	(16.6%)
OPERATING EXPENSES				
Personnel (Wages/Benefits)	35,999	45,301	(9,302)	(25.8%)
Administration	175,000	153,194	21,806	12.5%
Claims	83,192	90,203	(7,011)	(8.4%)
Software license	-	21,811	(21,811)	-
Other professional services	309	34,575	(34,266)	(11,077.7%)
Total operating expenses	294,500	345,084	(50,584)	(17.2%)
NONOPERATING REVENUES (EXPENSES)				
Transfers in			-	
Change in net position	$ 191,668	$ 60,368	$ (30,132)	

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: February 27, 2019

Submitting Department: Finance

Staff Recommendations:

Contact Person: Andrea Davis, DIRECTOR - FINANCE

District: Citywide

Consent: No   Regular: Yes   Public Hearing: No   Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to the FY2020 Benefit Healthcare Funding.

Motion:

I move to approve the recommended FY2020 Benefit Healthcare Funding.

Background:

Pursuant to Article V, Section H of the Health Benefits Trust Agreement:"In furtherance of the purpose of the Trust, as set forth in this Trust Agreement, the Board shall:H. Provide input and recommendations to the City Council, along with City staff and consultants, regarding Trust funding levels in order to establish and maintain, from contributions or other appropriations, reserves necessary to provide stability and security of the Trust, in accordance with sound actuarial and underwriting principles."

Staff has conducted a thorough review of plan design and anticipated plan expenses for FY2020 (beginning July 1, 2019). We will highlight proposed plan design changes to maintain efficient and effective benefits for employees including wellness. We will also present the planned contribution rate strategy. Finally, we will demonstrate the effect of plan design and contribution rate changes on the financial position of the trust fund.

Objective Analysis:

Policy Compliant:

This item is compliant with the Comprehensive Financial Management Policies.

Financial Impact:

For the 2019-2020 Plan Year - Actuarial funding projection (Medical, Rx, Dental, and Vision); projections in new employee enrollment have an impact and are reflected in this analysis.

Budget Impact:

For Fiscal Year 2020, the budget is being recommended at a level which takes into account the required reserve amount and will adequately indemnify the City. City staff has analyzed the CBIZ recommendation and has found it appropriate to decrease the overall budget for expenses for FY2020.

FTE Impact:

ATTACHMENTS:

1. 2019 2020 Proposed Plan Strategy
2. City of Surprise Funding Projection for the 2019-20 Plan Year vF FINAL

FEBRUARY 27, 2019

City of Surprise
Health Benefits Trust Fund
2019/2020 Proposed Plan Strategy

Presented By:
CBIZ Benefits and Insurance Services
Stacy Hutton, Senior Account Executive

Actions to Date

- Issue RFP for Pharmacy and carve-out PBM Services
- Issue RFP for Medical and Stop Loss
- Issue RFP for Life and Paid Leave
- Issue RFP for Dental and Vision
- Issue RFQ for EAP Services

Results to Date

- PBM performing above projections
- Received additional $200,000 through invoice credit from current medical vendor
- Increased stop loss deductible and saved $200,000 in premium the first year
- Consolidating Life Insurance to one vendor, The Standard, with savings on coverage:
  – Basic Life - reduced to .09 from .17 per $1,000 (53% reduction)
  – Voluntary Life – reduction to age rated voluntary life rates
- New dental vendor – Delta Dental and decrease in admin fee of 73% from $4.85 currently to $3.55.
- Vision vendor stays the same. Avesis with no increase in admin fee of $.95.

Background Information – Medical Strategy

- HMO plan has been closed since July 1, 2014 enrollment
- HMO and PPO networks have exactly the same providers
- HMO and PPO have exactly the same provider reimbursement rates
- HMO and PPO have exactly the same pre-authorization requirements
- HMO and PPO are actuarially priced the same

Education is key!

HMO Assumptions/Information

- HMO is viewed by employees as the “better” plan
- When the HMO plan is open, a large percentage of participants will move from PPO to HMO
- Includes inpatient co-payment per admission ($250)
- Ancillary providers paid based on “billed” charges
- HMO outside AZ is emergency coverage only

PPO Assumptions/Information

- PPO is believed to be the “worse” plan by employees
- Ancillary providers are paid based on “billed” charges
- PPO is believed to be more expensive because of inpatient coinsurance (10%)
- PPO outside Arizona has full national Blue Card access
- PPO Plan is NOT broadly used for OON access
  - 2015/2016 – 2.9% of services and 3.3% total paid dollars ($79,423)
  - 2016/2017 – 1.8% of services and 0.8% of total paid dollars ($36,716)
  - 2017/2018 – 1.8% of services and 1.5% of total paid dollars (49,167)
- Only 6% of OON claim dollars paid were for emergency

HMO/PPO Current Plan Designs

Plan Design Element	PPO		HMO
	In-Network	Out-of-Network	
Deductible	$0	$300/$600	$0
OOP Maximum	$1,800/$3,600	$3,600/$7,200	$2,000/$4,000
Physician	$15	30%	$20
Specialist	$25	30%	$30
Inpatient	10%	30%	$250 Copay/Admission
Outpatient	10%	30%	No Charge
ER	$75 then 10%	$75 then 10%	$75
Urgent Care	$35	30%	$35

Medical Strategy Goals

- Create Choice
- Open up HMO plan
- Add cost-effective solutions
- Reduce exposure to increase in costs (trend)

BCS Alliance Network

- Made up of Banner and Honor Health hospital networks
- Maricopa/Pima county claims match – 65%
- Savings on claims cost (decrement of 14%)
- Robust medical management
  – Increased coordination of care
  – Providers focus on efficiency and quality outcomes

2019/2020 Proposed Plan Design Changes

Co-Pay	EPO	Compared to other plans	Current HMO	FY20 HMO	Change	Current PPO	FY 20 PPO	Change
Physician	$10	-$10	$20	$20	None	$15	$20	+$5
Specialist	$30	-$10	$30	$40	+$10	$25	$40	+$15
ER	$250	Same	$75	$250	+$175	$75	$250	+$175
Urgent Care	$30	-$10	$35	$40	+$5	$35	$40	+$5
Telemedicine	$5	Same	$5	$5	None	$5	$5	None

2019/2020 Proposed Contribution Strategy

EPO	Total Monthly Cost	ER $ Monthly Cost	ER % Monthly Cost	EE $ Monthly Cost	EE % Monthly Cost	EE $ Increase Monthly	EE % Increase Per Pay Period
Employee Only	$569.46	$517.46	90.9%	$52.00	9.1%	N/A	N/A
Employee + 1	$1,138.92	$942.92	82.8%	$196.00	17.2%	N/A	N/A
Employee + Family	$1,594.50	$1,286.50	80.7%	$308.00	19.3%	N/A	N/A
HMO	Total Monthly Cost	ER $ Monthly Cost	ER % Monthly Cost	EE $ Monthly Cost	EE % Monthly Cost	EE $ Increase Monthly	EE % Increase Per Pay Period
Employee Only	$629.24	$564.24	89.7%	$65.00	10.3%	$2.78	4%
Employee + 1	$1,258.46	$1,013.46	80.5%	$245.00	19.5%	$5.90	2%
Employee + Family	$1,761.88	$1,376.88	78.1%	$385.00	21.9%	$4.38	1%
PPO	Total Monthly Cost	ER $ Monthly Cost	ER % Monthly Cost	EE $ Monthly Cost	EE % Monthly Cost	EE $ Increase Monthly	EE % Increase Per Pay Period
Employee Only	$608.42	$543.42	89.3%	$65.00	10.7%	$2.78	4%
Employee + 1	$1,216.82	$971.82	79.9%	$245.00	20.1%	$17.62	8%
Employee + Family	$1,703.54	$1,318.54	77.4%	$385.00	22.6%	$20.78	6%
Dental	Total Monthly Cost	ER $ Monthly Cost	ER % Monthly Cost	EE $ Monthly Cost	EE % Monthly Cost	EE $ Increase Monthly	EE $ Increase Per Pay Period
Employee Only	$38.80	$33.62	86.6%	$5.18	13.4%	No Change	No Change
Employee + 1	$76.88	$59.26	77.1%	$17.62	22.9%	No Change	No Change
Employee + Family	$124.56	$87.50	70.2%	$37.06	29.8%	No Change	No Change
Vision	Total Monthly Cost	ER $ Monthly Cost	ER % Monthly Cost	EE $ Monthly Cost	EE % Monthly Cost	EE $ Increase Monthly	EE $ Increase Per Pay Period
Employee Only	$5.16	$4.16	80.6%	$1.00	19%	$1.00	$0.50
Employee + Family	$14.62	$10.86	74.3%	$3.76	25.7%	$0.12	$0.06

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection
For a July 1, 2019 Effective Date

Completed January 15, 2019

With updated data through October 2018

Presented by:
CBIZ Benefits & Insurance Services, Inc.
5450 Frantz Road, Suite 300
Dublin, OH 43016
Telephone: (614) 793-7770

Table of Contents

CBIZ

Section 1: Executive Summary

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Executive Summary —

Section I

1. Current Enrollment (October 2018)

	PPO	HMO	Total
Employee Only	126	53	179
Employee + 1	68	58	126
Employee + Family	205	205	410
Total	399	316	715
	56%	*44%*	

2. Current 2018-19 Client Budget Rates

	PPO	HMO	Total
Employee Only	$596.04	$616.44	
Employee + 1	$1,192.08	$1,232.88	
Employee + Family	$1,668.90	$1,726.06	
PEPM Funding:	$1,248.84	$1,449.43	$1,337.49
Monthly Funding:	$498,287	$458,021	$956,308
Annual Funding:	$5,979,444	$5,496,248	$11,475,692

3. Forecasted Rate Action

Expected	**2.07%**
Pessimistic	7.07%
Very Pessimistic	25.22%
Optimistic	-2.93%
Used	**2.07%**

4. Forecasted 2019-20 Funding Rates

	PPO	HMO	Total
Employee Only	$608.41	$629.23	
Employee + 1	$1,216.82	$1,258.46	
Employee + Family	$1,703.53	$1,761.88	
PEPM Funding:	$1,274.75	$1,479.51	$1,365.25
Monthly Funding:	$508,626	$467,524	$976,151
Annual Funding:	$6,103,515	$5,610,293	$11,713,808
% Change:	2.07%	2.07%	2.07%

5. Key Assumptions and Observations

a. Med/Rx experience period: Experience Period 1: Claims paid November 2017 through October 2018. Experience Period 2: Claims paid November 2016 through October 2017. Experience periods were weighted 60% Experience Period 1 and 40% Experience Period 2 for Medical and 80% Experience Period 1 and 20% Experience Period 2 for Rx.

b. Plan changes: PPO: Increase PCP copay from $15 to $20, specialist from $25 to $40, ER from $75 to $250, urgent care from $35 to $40
HMO: Increase specialist copay from $30 to $40, ER from $75 to $250, urgent care from $35 to $40
EPO: See Section II

c. Annual trend: Annual trends of 6.9% medical and 7.5% Rx. Experience Period 1 was trended 21.0 months and Experience Period 2 was trended 33.0 months (trended from midpoint of experience period to midpoint of projection period). For a slight contribution to reserves, used a one month lag. e.g., Incurred claims from November through October equal paid claims from October through September.

d. Claim margin: 0.0% medical, 2.0% Rx

e. Individual stop loss: Assumes a $250,000 ISL deductible with a 12/24 contract and no lasers. Assumes a 9.9% rate increase. Claims exceeding $250,000 on a paid basis were removed from the experience as an approximation of the 12/24 contract (both are mature contracts).

f. Fixed costs:

	2018-2019	2019-2020	ESTIMATED % Change
Administration fee	$49.76	$49.76	0.0%
Individual stop loss [1]	$65.92	$72.45	9.9%
Aggregate stop loss — PPO [2]	$5.10	$5.10	0.0%
Aggregate stop loss — HMO [2]	$4.55	$4.55	0.0%
Aggregate stop loss — Composite	$4.86	$4.86	0.0%
Total fixed costs — PPO	$120.78	$127.31	5.4%
Total fixed costs — HMO	$120.23	$126.76	5.4%
Total fixed costs — Composite	$120.54	$127.07	5.4%

[1] Assumes $250,000 ISL deductible, 12/24 contract and no lasers

[2] 125% aggregate corridor

g. Rebates were considered in the Rx forecast.

6. Reasonableness Test — Projected Claims Compared to Historical Claims

	PEPM	% Increase
Average Paid Claims Most Recent 12 Months	$1,168.22	
(Not adjusted for claimants > $250k)		
Final Projected Claims 2019-20 Plan Year	$1,238.18	6.0%
Average Paid Claims Most Recent 12 Months	$1,131.10	
(Adjusted for claimants > $250k)		
Final Projected Claims 2018-19 Plan Year	$1,238.18	9.5%

7. Dental

	Enrollment	Current Premium Equivalents	Renewal Premium Equivalents
Employee Only	172	$38.48	$38.80
Employee + 1	157	$76.26	$76.89
Employee + Family	420	$123.54	$124.56
PEPM Funding:	749	$94.10	$94.87
Monthly Funding:		$70,478	$71,058
Annual Funding:		$845,738	$852,698
% Change:			0.82%

8. Vision

	Enrollment	Current Premium Equivalents	Renewal Premium Equivalents
Employee Only	193	$4.98	$5.16
Employee + Family	548	$14.10	$14.61
PEPM Funding:	741	$11.72	$12.15
Monthly Funding:		$8,688	$9,000
Annual Funding:		$104,255	$108,000
% Change:			3.59%

Section II: Add EPO

Option 1: Current PPO, open up enrollment into HMO and EPO

Enrollment

	PPO	HMO	EPO	Total
Employee Only	107	45	27	179
Employee + 1	58	49	19	126
Employee + Family	174	174	62	410
Total	339	269	107	715

Premiums

	PPO	HMO	EPO
Employee Only	$608.41	$629.23	$569.45
Employee + 1	$1,216.82	$1,258.46	$1,138.91
Employee + Family	$1,703.53	$1,761.88	$1,594.50
Total Monthly:	$432,332	$397,396	$134,877
Grand Total Monthly:		$964,605	
Annual:		$11,575,258	
PEPM:		$1,349.10	

Rate Action Relative to Current **0.87%**

4 Tier Adjustment

Enrollment

	PPO	HMO	EPO	Total
Employee Only	107	45	27	179
Employee + Spouse	43	37	14	94
Emplouee + Child(ren)	32	26	10	69
Employee + Family	156	161	56	373
Total	339	269	107	715

Premiums

	PPO	HMO	EPO	Dependent Tier Ratio
Employee Only	$589.70	$609.88	$551.94	1.00
Employee + Spouse	$1,297.33	$1,341.73	$1,214.27	2.20
Emplouee + Child(ren)	$1,061.45	$1,097.78	$993.49	1.80
Employee + Family	$1,769.09	$1,829.63	$1,655.82	3.00
Total Monthly:	$430,366	$399,373	$134,867	
Grand Total Monthly:		$964,605		
Annual:		$11,575,258		
PEPM:		$1,349.10		

Rate Action Relative to Current **0.87%**

Section 2: Projections to Develop Premium Equivalent Rates

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Medical Claims Projection —

1. Objective Develop funding rates which cover all medical paid claims and associated administrative expenses.

2. Assumptions

a.	Medical trend:	6.9%
b.	Months of trend:	Exp. Period 1 = 21.0, Exp. Period 2 = 33.0 (From midpoint of experience period to midpoint of projection period)
c.	Enrollment:	Lagged 1 month
d.	Experience:	Per BCBS of AZ invoices and experience reports
e.	Pooled claims:	Removed; $250,000 ISL deductible, 12/24 contract
f.	Network change factor:	1.000
g.	Plan change factor:	Exp. Period 1 = 0.993, Exp. Period 2 = 0.994
		PPO: Increase PCP copay from $15 to $20, specialist from $25 to $40, ER from $75 to $250, urgent care from $35 to $40
		HMO: Increase specialist copay from $30 to $40, ER from $75 to $250, urgent care from $35 to $40
h.	Chronic $ load:	$0
	Other $ load:	$0
i.	Claim fluctuation margin:	0.0%
j.	Current enrollment:	715 (October 2018)

3. Algorithm

			Experience Period 1	Experience Period 2
		Paid period:	11/1/17 - 10/31/18	11/1/16 - 10/31/17
		Approx. incurred period:	10/1/17 - 9/30/18	10/1/16 - 9/30/17
		Midpoint incurred period:	4/1/2018	4/1/2017
		Average enrollment:	705	683
		Number of months:	12	12
a.	Medical paid claims:		$8,018,242	$7,217,797
b.	Pooled claims Estimate: Period 1 = 2 Period 1 = 2		$814,144	$538,709
c.	Adjusted paid claims (a less b):		$7,204,098	$6,679,089
d.	Change in reserve (lagged claims):		1.000	1.000
e.	Network change factor:		1.000	1.000
f.	Adjusted paid claims (c x d x e):		$7,204,098	$6,679,089
g.	Trend adjustment factor:		1.124	1.201
h.	Trended adjusted paid claims (f x g):		$8,096,375	$8,024,277
i.	Add in individual claims to pooled level:		$500,000	$500,000
j.	Plan change adjustment factor:		0.993	0.994
k.	Enrollment change adjustment factor:		1.014	1.047
l.	Chronic health conditions/Other adjustment:		$0	$0
m.	Projected experience paid claims [(h + i) x j x k + l]:		$8,652,369	$8,863,829
n.	Claim fluctuation margin:		1.000	1.000
o.	Projected experience paid claims with margin (m x n):		$8,652,369	$8,863,829
p.	Claim rate:	PEPM:	$1,008.43	$1,033.08
		Monthly:	$721,031	$738,652
		Annual:	$8,652,369	$8,863,829
		Credibility:	60%	40%
		PEPM Blended Rate:	$1,018.29	

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Pharmacy Claims Projection —

1. Objective Develop funding rates which cover all pharmacy paid claims and associated administrative expenses.

2. Assumptions

a.	Rx trend:	7.5%
b.	Months of trend:	Exp. Period 1 = 21.0, Exp. Period 2 = 33.0 (From midpoint of experience period to midpoint of projection period)
c.	Enrollment:	Lagged 1 month
d.	Experience:	Per BCBS of AZ invoices and experience reports
e.	Pooled claims:	Removed from 'Medical Claims Projection'
f.	Network change factor:	1.000
g.	Plan change factor:	Exp. Period 1 = 1.000, Exp. Period 2 = 1.000
h.	Rx management savings / Rx rebates / Other adj.:	0.850
i.	Claim fluctuation margin:	2.0%
j.	Current enrollment:	715 (October 2018)

3. Algorithm

			Experience Period 1	Experience Period 2
		Paid period:	11/1/17 - 10/31/18	11/1/16 - 10/31/17
		Approx. incurred period:	10/1/17 - 9/30/18	10/1/16 - 9/30/17
		Midpoint incurred period:	4/1/2018	4/1/2017
		Average enrollment:	705	683
		Number of months:	12	12
a.	Pharmacy paid claims:		$1,868,379	$1,786,432
b.	Pooled claims: Removed from 'Medical Claims Projection'		$0	$0
c.	Adjusted paid claims (a less b):		$1,868,379	$1,786,432
d.	Change in reserve (lagged claims):		1.000	1.000
e.	Network change factor:		1.000	1.000
f.	Adjusted paid claims (c x d x e):		$1,868,379	$1,786,432
g.	Trend adjustment factor:		1.135	1.220
h.	Trended adjusted paid claims (f x g):		$2,120,459	$2,179,515
i.	Add in individual claims to pooled level:		$0	$0
j.	Plan change adjustment factor:		1.000	1.000
k.	Enrollment change adjustment factor:		1.014	1.047
l.	Rx management savings / Rx rebates / Other Rx adjustment:		0.850	0.850
m.	Projected experience paid claims [(h + i) x j x k + l]:		$1,827,308	$1,938,912
n.	Claim fluctuation margin:		1.020	1.020
o.	Projected experience paid claims with margin (m x n):		$1,863,854	$1,977,690
p.	Claim rate:	PEPM:	$217.23	$230.50
		Monthly:	$155,321	$164,808
		Annual:	$1,863,854	$1,977,690
		Credibility:	80%	20%
		PEPM Blended Rate:	$219.89	

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Medical/Pharmacy Rate Change —

1. Current Enrollment (October 2018)

	PPO	HMO	Total All Plans
Employee Only	126	53	179
Employee + 1	68	58	126
Employee + Family	205	205	410
Total	399	316	715
	56%	*44%*	

2. Current 2018-19 Client Budget Rates

	PPO	HMO
Employee Only	$596.04	$616.44
Employee + 1	$1,192.08	$1,232.88
Employee + Family	$1,668.90	$1,726.06

3. Total Funding Current Structure

	PPO	HMO	Total All Plans
PEPM Funding:	$1,248.84	$1,449.43	$1,337.49
Monthly Funding:	$498,287	$458,021	$956,308
Annual Funding:	$5,979,444	$5,496,248	$11,475,692

4. Percent Change in Funding Rates

Current PEPM Funding:	$1,337.49
Projected PEPM Funding:	$1,365.25
Calculated Rate Action:	**2.07%**
Recommended Rate Action:	**2.07%**

	Medical Claims	Pharmacy Claims	Admin	Individual Stop Loss	Aggregate Stop Loss
	$1,018.29	$219.89	$49.76	$72.45	$4.86
	$1,238.18		$127.07		
% of Total:	*90.69%*		*9.31%*		

5. Projected 2019-20 Rates

	PPO	HMO
Employee Only	$608.41	$629.23
Employee + 1	$1,216.82	$1,258.46
Employee + Family	$1,703.53	$1,761.88

	PPO	HMO	Total All Plans
Renewal PEPM funding:	$1,274.75	$1,479.51	$1,365.25
Renewal Monthly funding:	$508,626	$467,524	$976,151
Renewal Annual funding:	$6,103,515	$5,610,293	$11,713,808

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Dental Claims Projection —

1. Objective Develop funding rates which cover all dental paid claims and associated administrative expenses.

2. Assumptions

a.	Dental trend:	3.7%
b.	Months of trend:	Exp. Period 1 = 21.0, Exp. Period 2 = 33.0 (From midpoint of experience period to midpoint of projection period)
c.	Enrollment:	Lagged 1 month
d.	Experience:	Per MetLife experience reports
e.	Pooled claims:	Not applicable
f.	Network change factor:	1.000
g.	Plan change factor:	Exp. Period 1 = 1.020, Exp. Period 2 = 1.020 (Increase OON coverage from 80% to 100% on Type B coverage)
h.	Claim fluctuation margin:	2.0%
i.	Current enrollment:	749 (December 2018)

3. Algorithm

			Experience Period 1	Experience Period 2
		Paid period:	11/1/17 - 10/31/18	11/1/16 - 10/31/17
		Approx. incurred period:	10/1/17 - 9/30/18	10/1/16 - 9/30/17
		Midpoint incurred period:	4/1/2018	4/1/2017
		Average enrollment:	730	709
		Number of months:	12	12
a.	Dental paid claims:		$724,091	$667,612
b.	Pooled claims:		$0	$0
c.	Adjusted paid claims (a less b):		$724,091	$667,612
d.	Change in reserve (lagged claims):		1.000	1.000
e.	Network change factor:		1.000	1.000
f.	Adjusted paid claims (c x d x e):		$724,091	$667,612
g.	Trend adjustment factor:		1.066	1.105
h.	Trended adjusted paid claims (f x g):		$771,624	$737,761
i.	Add in individual claims to pooled level:		$0	$0
j.	Plan change adjustment factor:		1.020	1.020
k.	Enrollment change adjustment factor:		1.025	1.057
l.	Other adjustment:		$0	$0
m.	Projected experience paid claims [(h + i) x j x k + l]:		$807,081	$795,158
n.	Claim fluctuation margin:		1.020	1.020
o.	Projected experience paid claims with margin (m x n):		$823,223	$811,062
p.	Claim rate:	PEPM:	$91.59	$90.24
		Monthly:	$68,602	$67,588
		Annual:	$823,223	$811,062
		Credibility:	80%	20%
		PEPM Blended Rate:	$91.32	

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Dental Rate Change —

1. Current Enrollment (As a benchmark used December 2018)

	Dental	Total Dental
Employee Only	172	172
Employee + 1	157	157
Employee + Family	420	420
Total	749	749
	100%	

2. Current 2018-19 Client Budget Rates

	Dental
Employee Only	$38.48
Employee + 1	$76.26
Employee + Family	$123.54

3. Total Funding Current Structure

	Dental	Total Dental
PEPM Funding:	$94.10	$94.10
Monthly Funding:	$70,478	$70,478
Annual Funding:	$845,738	$845,738

4. Percent Change in Funding Rates

		Dental Claims	Dental Admin
Current PEPM Funding*:	$94.10		
Projected PEPM Funding:	$94.87	$91.32	$3.55
		$91.32	$3.55
Calculated Rate Action:	**0.82%**		
Recommended Rate Action:	**0.82%**		

5. Projected 2019-20 Rates

	Dental
Employee Only	$38.80
Employee + 1	$76.89
Employee + Family	$124.56

	Dental	Total Dental
Renewal PEPM funding:	$94.87	$94.87
Renewal Monthly funding:	$71,058	$71,058
Renewal Annual funding:	$852,698	$852,698

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Vision Claims Projection —

1. Objective — Develop funding rates which cover all vision paid claims and associated administrative expenses.

2. Assumptions

a.	Vision trend:	2.6%
b.	Months of trend:	Exp. Period 1 = 21.0, Exp. Period 2 = 33.0 (From midpoint of experience period to midpoint of projection period)
c.	Enrollment:	Lagged 1 month
d.	Experience:	Per Avesis claims reports
e.	Pooled claims:	Not applicable
f.	Network change factor:	1.000
g.	Plan change factor:	Exp. Period 1 = 1.000, Exp. Period 2 = 1.000 (No proposed plan changes)
h.	Claim fluctuation margin:	2.0%
i.	Current enrollment:	741 (November 2018)

3. Algorithm

			Experience Period 1	Experience Period 2
		Paid period:	11/1/17 - 10/31/18	11/1/16 - 10/31/17
		Approx. incurred period:	10/1/17 - 9/30/18	10/1/16 - 9/30/17
		Midpoint incurred period:	4/1/2018	4/1/2017
		Average enrollment:	739	724
		Number of months:	12	12
a.	Vision paid claims:		$96,016	$84,576
b.	Pooled claims:		$0	$0
c.	Adjusted paid claims (a less b):		$96,016	$84,576
d.	Change in reserve (lagged claims):		1.000	1.000
e.	Network change factor:		1.000	1.000
f.	Adjusted paid claims (c x d x e):		$96,016	$84,576
g.	Trend adjustment factor:		1.046	1.073
h.	Trended adjusted paid claims (f x g):		$100,427	$90,762
i.	Add in individual claims to pooled level:		$0	$0
j.	Plan change adjustment factor:		1.000	1.000
k.	Enrollment change adjustment factor:		1.003	1.024
l.	Other adjustment:		$0	$0
m.	Projected experience paid claims [(h + i) x j x k + l]:		$100,710	$92,936
n.	Claim fluctuation margin:		1.020	1.020
o.	Projected experience paid claims with margin (m x n):		$102,724	$94,794
p.	Claim rate:	PEPM:	$11.55	$10.66
		Monthly:	$8,560	$7,900
		Annual:	$102,724	$94,794
		Credibility:	60%	40%
		PEPM Blended Rate:	$11.20	

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Vision Rate Change —

1. Current Enrollment (As a benchmark used November 2018)

	Vision	Total Vision
Employee Only	193	193
Employee + Family	548	548
Total	741	741
	100%	

2. Current 2018-19 Client Budget Rates

	Vision
Employee Only	$4.98
Employee + Family	$14.10

3. Total Funding Current Structure

	Vision	Total Vision
PEPM Funding:	$11.72	$11.72
Monthly Funding:	$8,688	$8,688
Annual Funding:	$104,255	$104,255

4. Percent Change in Funding Rates

		Vision Claims	Vision Admin
Current PEPM Funding:	$11.72		
Projected PEPM Funding:	$12.15	$11.20	$0.95
		$11.20	$0.95
Calculated Rate Action:	**3.59%**		
Recommended Rate Action:	**3.59%**		

5. Projected 2019-20 Rates

	Vision
Employee Only	$5.16
Employee + Family	$14.61

	Vision	Total Vision
Renewal PEPM funding:	$12.15	$12.15
Renewal Monthly funding:	$9,000	$9,000
Renewal Annual funding:	$108,000	$108,000

Section 3: Fixed Costs

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Fixed Cost Estimates —

Fixed Costs (PEPM)				
	2018-2019	2019-2020	% Change	Annual 2019-2020
Subscribers	715	715		
Administration fee	$49.76	$49.76	0.0%	$426,941
EPO network fee ($2.00 PMPM)	$0.00	$0.92		$7,884
Individual stop loss [1]	$65.92	$72.45	9.9%	$621,621
Aggregate stop loss — PPO [2]	$5.10	$5.10	0.0%	
Aggregate stop loss — HMO [2]	$4.55	$4.55	0.0%	
Aggregate stop loss — Composite	$4.86	$4.86	0.0%	$41,672
Total fixed costs — PPO	$120.78	$127.31	5.4%	
Total fixed costs — HMO	$120.23	$126.76	5.4%	
Total fixed costs — Composite	$120.54	$127.99	6.2%	$1,098,118
Dental subscribers	749	749		
Dental administration fee	$5.34	$3.55	-33.5%	$31,907
Vision subscribers	741	741		
Vision administration fee	$0.95	$0.95	0.0%	$8,447

[1] Assumes $250,000 ISL deductible, 12/24 contract and no lasers

[2] 125% aggregate corridor

Section 4: Claims and Enrollment Data

City of Surprise

Medical, Pharmacy, Dental and Vision Funding Rate Projection For a July 1, 2019 Effective Date

— Claims and Enrollment Data —

* Paid claims basis

Month	Period	Med/Rx Subs	Dental Subs	Vision Subs	Medical Claims	Pharmacy Claims	Capitation & Other	Total Claims	Total PEPM (Lagged 1 month)	Dental Claims	Dental PEPM (Lagged 1 month)	Vision Claims	Vision PEPM (Lagged 1 month)
Oct-16	Experience Period 2	664	693	701									
Nov-16	Experience Period 2	670	690	708	$515,303	$183,772	$3,546	$702,621	$1,058	$48,611	$70	$7,036	$10
Dec-16	Experience Period 2	669	700	707	$554,467	$202,460	$5,427	$762,354	$1,138	$52,832	$77	$4,748	$7
Jan-17	Experience Period 2	674	695	709	$631,260	$103,068	$5,047	$739,374	$1,105	$55,660	$80	$5,851	$8
Feb-17	Experience Period 2	685	737	711	$521,489	$147,831	$3,818	$673,138	$999	$43,833	$63	$7,216	$10
Mar-17	Experience Period 2	691	719	731	$618,765	$127,281	$3,791	$749,837	$1,095	$56,464	$77	$5,573	$8
Apr-17	Experience Period 2	684	709	725	$623,224	$151,178	$3,600	$778,002	$1,126	$46,997	$65	$5,449	$7
May-17	Experience Period 2	686	708	725	$607,182	$143,705	$5,217	$756,104	$1,105	$50,143	$71	$4,005	$6
Jun-17	Experience Period 2	687	702	721	$641,277	$150,334	$3,924	$795,535	$1,160	$55,978	$79	$6,813	$9
Jul-17	Experience Period 2	691	718	746	$610,410	$138,655	$3,651	$752,716	$1,096	$69,236	$99	$7,747	$11
Aug-17	Experience Period 2	694	716	746	$653,078	$150,433	$3,612	$807,124	$1,168	$65,540	$91	$15,175	$20
Sep-17	Experience Period 2	703	719	754	$597,916	$154,662	$4,303	$756,881	$1,091	$61,373	$86	$9,739	$13
Oct-17	Experience Period 1	699	726	750	$593,446	$133,051	$4,046	$730,543	$1,039	$60,944	$85	$5,226	$7
Nov-17	Experience Period 1	695	724	741	$678,015	$166,342	$6,458	$850,815	$1,217	$51,834	$71	$4,825	$6
Dec-17	Experience Period 1	696	724	743	$602,878	$152,029	$4,085	$758,992	$1,092	$45,194	$62	$5,719	$8
Jan-18	Experience Period 1	702	728	737	$707,809	$207,852	$3,756	$919,418	$1,321	$53,811	$74	$4,861	$7
Feb-18	Experience Period 1	702	721	733	$417,007	$135,602	$3,629	$556,237	$792	$64,247	$88	$6,774	$9
Mar-18	Experience Period 1	706	729	736	$498,908	$127,423	$3,712	$630,043	$897	$62,940	$87	$6,012	$8
Apr-18	Experience Period 1	707	732	736	$487,074	$136,050	$3,926	$627,050	$888	$58,686	$81	$4,034	$5
May-18	Experience Period 1	708	745	741	$551,520	$150,485	$3,841	$705,845	$998	$61,097	$83	$6,633	$9
Jun-18	Experience Period 1	708	732	741	$665,103	$133,979	$3,952	$803,035	$1,134	$54,427	$73	$9,993	$13
Jul-18	Experience Period 1	710	734	736	$589,250	$175,960	$3,706	$768,916	$1,086	$62,128	$85	$12,450	$17
Aug-18	Experience Period 1	715	729	732	$925,689	$160,010	$4,082	$1,089,781	$1,535	$84,852	$116	$12,361	$17
Sep-18	Experience Period 1	715	741	741	$843,443	$149,875	$3,910	$997,227	$1,395	$58,892	$81	$9,400	$13
Oct-18		715			$1,002,395	$172,772	$4,096	$1,179,262	$1,649	$65,983	$89	$12,958	$17

* Unadjusted (Includes claimants exceeding $250K) *

	Med/Rx Subs	Dental Subs	Vision Subs	Medical Claims	Pharmacy Claims	Cap & Other Claims	Total Claims	Total PEPM	Dental Claims	Dental PEPM	Vision Claims	Vision PEPM
Exp. Period 2	683	709	724	$7,167,815	$1,786,432	$49,982	$9,004,229	**$1,098**	$667,612	**$78**	$84,576	**$10**
Exp. Period 1	705	730	739	$7,969,090	$1,868,379	$49,153	$9,886,622	**$1,168**	$724,091	**$83**	$96,016	**$11**
% Change	*3.2%*	*3.0%*	*2.1%*	*11.2%*	*4.6%*	*-1.7%*	*9.8%*	*6.4%*	*8.5%*	*5.3%*	*13.5%*	*11.2%*

** Adjusted (Claimants exceeding $250K removed) **

	Med/Rx Subs	Dental Subs	Vision Subs	Medical Claims	Pharmacy Claims	Cap & Other Claims	Total Claims	Total PEPM
Exp. Period 2	683			$7,129,106	$1,786,432	$49,982	$8,965,521	**$1,094**
Exp. Period 1	705			$7,654,946	$1,868,379	$49,153	$9,572,478	**$1,131**
% Change	*3.2%*			*7.4%*	*4.6%*	*-1.7%*	*6.8%*	*3.4%*

— High Cost Claimants >$125,000 —

Experience Period 1

* Claims paid Nov 2017 through Oct 2018 — Used as a basis

	Claims	ISL Trigger	> ISL
Claimant 1	$525,634	$250,000	$275,634
Claimant 2	$288,510	$250,000	$38,510
Claimant 3	$186,274	$250,000	$0
Claimant 4	$175,541	$250,000	$0
Claimant 5	$159,418	$250,000	$0
Claimant 6	$133,339	$250,000	$0
Claimant 7	$127,957	$250,000	$0
Claimant 8	$125,829	$250,000	$0
Total	$1,722,502		$314,144

Experience Period 2

* Claims paid Nov 2016 through Oct 2017 — Used as a basis

	Claims	ISL Trigger	> ISL
Claimant 1	$278,869	$250,000	$28,869
Claimant 2	$259,840	$250,000	$9,840
Claimant 3	$249,718	$250,000	$0
Total	$788,427		$38,709

BlueCross BlueShield of Arizona

An Independent Licensee of the Blue Cross and Blue Shield Association

Claims Exhibit

City of Surprise - 023348

Claims Paid Month: October 2018

11/7/2018

Current Policy Period - Claims Incurred 7/1/2018 - 6/30/2019

Minimum Monthly Attachment Point: $861,521

Paid Month	Employees	Members	Paid Claims and Fees Inc. in CURRENT Policy Period	Vendor Rx Claims	Capitated Service Charge	Prior Period[1] Adjustments	Specific Stop Loss Credit	Net Claims	Aggregate Stop Loss Carryover / Credit	Monthly Claim Liability	Cumulative Claim Liability	ICAP	Cumulativ ICA
07/2018	710	2,169	$275,590	$0	$3,610	$0	$0	$279,200	$0	$279,200	$279,200	$971,366	$971,36
08/2018	715	2,184	$811,549	$0	$3,654	$0	$0	$815,203	$0	$815,203	$1,094,404	$977,857	$1,949,22
09/2018	715	2,194	$728,189	$0	$3,703	$0	($75,627)	$656,265	$0	$656,265	$1,750,669	$980,453	$2,929,67
10/2018	715	2,190	$911,340	$0	$3,693	($6)	($90,880)	$824,146	$0	$824,146	$2,574,815	$979,915	$3,909,59
Total	**2,855**	**8,737**	**$2,726,669**	**$0**	**$14,660**	**($6)**	**($166,507)**	**$2,574,815**	**$0**	**$2,574,815**		**$3,909,591**	

Prior Policy Period - Claims Incurred 7/1/2017 - 6/30/2018

Paid Month	Paid Claims and Fees Inc. in PRIOR Policy Period	Vendor Rx Claims	Prior Period[1] Adjustments	Specific Stop Loss Credit	Net Claims	Aggregate Stop Loss Carryover / Credit	Monthly Claim Liability	Cumulative Claim Liability	Cumulative ICAP	Attachme Poi
Prior	$7,421,024	$811,350	$0	($9,762)	$8,222,612	$0	$8,222,612	$8,222,612	$12,730,316	$12,730,31
07/2018	$318,657	$0	$6	($5,606)	$313,056	$0	$313,056	$8,535,668	$12,730,316	$12,730,31
08/2018	$115,913	$0	$8	$0	$115,921	$0	$115,921	$8,651,590	$12,730,316	$12,730,31
09/2018	$116,788	$0	$0	$0	$116,788	$0	$116,788	$8,768,377	$12,730,316	$12,730,31
10/2018	$92,834	$0	$0	($514)	$92,320	$0	$92,320	$8,860,697	$12,730,316	$12,730,31
Total	**$8,065,215**	**$811,350**	**$14**	**($15,882)**	**$8,860,697**	**$0**	**$8,860,697**			

Note:

(1) Prior Period Adjustments account for prior month enrollment retro activity and are included in the restated Capitation.

(2) Prior policy includes claims incurred and paid during ASC contract.

RxTrack®

CONFIDENTIAL

RXT1110DM - CAG Utilization Summary

Date Filled From January 2018 Through October 2018

Client: City of Surprise

Carrier Name	Account Name	Group Name	Date Filled Year Number	Date Filled Month Name	Avg Eligible Members	Total Utilizing Members	Total Rxs	Total Plan Paid
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	January	1,090	343	663	$62,511.27
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	February	1,078	272	567	$77,328.21
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	March	1,073	297	681	$57,344.60
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	April	1,069	300	687	$78,479.29
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	May	1,067	288	671	$88,414.15
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	June	1,066	295	655	$66,999.09
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	July	1,065	269	630	$113,559.01
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	August	1,064	298	669	$79,332.27
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	September	1,060	301	623	$98,982.34
CITY OF SURPRISE AZ	HMO	ACTIVE	2018	October	1,053	312	667	$88,506.74
					1,069	**298**	**6,513**	**$811,456.97**
CITY OF SURPRISE AZ	HMO	COBRA	2018	January	9	4	15	$1,878.46
CITY OF SURPRISE AZ	HMO	COBRA	2018	February	8	2	6	$1,698.85
CITY OF SURPRISE AZ	HMO	COBRA	2018	March	3	2	4	$2,647.36
CITY OF SURPRISE AZ	HMO	COBRA	2018	April	3	3	5	$842.88
CITY OF SURPRISE AZ	HMO	COBRA	2018	May	3	2	6	$842.21
CITY OF SURPRISE AZ	HMO	COBRA	2018	June	3	3	4	$756.05
CITY OF SURPRISE AZ	HMO	COBRA	2018	July	5	3	7	$777.11
CITY OF SURPRISE AZ	HMO	COBRA	2018	August	4	2	3	$758.99
CITY OF SURPRISE AZ	HMO	COBRA	2018	September	4	2	6	$793.29
CITY OF SURPRISE AZ	HMO	COBRA	2018	October	8	4	13	$913.60
					5	**3**	**69**	**$11,908.80**
					537	**150**	**6,582**	**$823,365.77**
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	January	1,046	291	584	$59,476.84
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	February	1,056	266	533	$53,766.55
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	March	1,071	279	518	$65,063.58
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	April	1,081	264	530	$54,936.05
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	May	1,090	271	531	$57,733.54
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	June	1,092	248	473	$63,959.22
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	July	1,119	263	521	$57,454.12
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	August	1,130	279	552	$77,741.83
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	September	1,121	275	547	$48,453.16
CITY OF SURPRISE AZ	PPO	ACTIVE	2018	October	1,122	283	589	$81,817.39
					1,093	**272**	**5,378**	**$620,402.28**
CITY OF SURPRISE AZ	PPO	COBRA	2018	January	7	2	4	$165.55
CITY OF SURPRISE AZ	PPO	COBRA	2018	February	8	3	12	$2,777.64
CITY OF SURPRISE AZ	PPO	COBRA	2018	March	8	4	15	$2,321.92
CITY OF SURPRISE AZ	PPO	COBRA	2018	April	8	3	7	$1,791.77
CITY OF SURPRISE AZ	PPO	COBRA	2018	May	7	4	14	$3,494.65
CITY OF SURPRISE AZ	PPO	COBRA	2018	June	5	5	14	$2,265.12
CITY OF SURPRISE AZ	PPO	COBRA	2018	July	3	2	5	$608.42
CITY OF SURPRISE AZ	PPO	COBRA	2018	August	6	4	11	$2,177.30
CITY OF SURPRISE AZ	PPO	COBRA	2018	September	11	2	4	$1,646.06
CITY OF SURPRISE AZ	PPO	COBRA	2018	October	8	5	8	$1,534.20
					7	**3**	**94**	**$18,782.63**
					550	**138**	**5,472**	**$639,184.91**
					2,173	**576**	**12,054**	**$1,462,550.68**

$56.08

City of Surprise PBM Summary

January 1, 2018 – June 30, 2018

Per Member Per Month Actual Cost Versus Projection (Accrued Basis)

BCBS Optum	Modeled Projection	Current
$66.07	$61.67	$44.16 – Results thru March, 2018
	$61.67	**$54.57* – Results thru June, 2018**

*includes rebates for first quarter only.

Please note, this is very preliminary data and much too early to call this a true positive trend but it is definitely great news that your Rx program is performing better than projected.

Rebate Recap

Projected Rebates (CY 18 - 12 months) - $420,000

Projected Rebates Per Quarter - $105,000

Rebate received (1st Calendar Quarter 2018) - **$107,496**

Rebates are coming in exactly as projected. Assuming utilization continues, rebates should continue to hit the target. Changes in utilization that are unexpected may result in a variance against target.

CITY OF SURPRISE

MetLife

Dental - Monthly

Coverage	Month	Employee Lives	Dependent Lives	Premium	Fees	Claims	EOB's
Experience #: 0310325							
Dental	10/01/2018	744	-	-	$3,973	$65,983	350
Dental	09/01/2018	741	-	-	$3,957	$58,892	301
Dental	08/01/2018	729	-	-	$3,893	$84,852	478
Dental	07/01/2018	734	-	-	$3,920	$62,128	349
Dental	06/01/2018	732	-	-	$3,550	$54,427	308
Dental	05/01/2018	745	-	-	$3,613	$61,097	328
Dental	04/01/2018	732	-	-	$3,550	$58,686	332
Dental	03/01/2018	729	-	-	$3,536	$62,940	337
Dental	02/01/2018	721	-	-	$3,497	$64,247	361
Dental	01/01/2018	728	-	-	$3,531	$53,811	322
Dental	12/01/2017	724	-	-	$3,511	$45,194	287
Dental	11/01/2017	724	-	-	$3,511	$51,834	325

Vision Enrollment

	Cardholder Count	Premium
6/30/2017	721	$ 684.95
7/31/2017	746	$ 708.70
8/31/2017	746	$ 708.70
9/30/2017	754	$ 715.35
10/31/2017	750	$ 712.50
11/30/2017	741	$ 703.95
12/31/2017	743	$ 705.85
1/31/2018	737	$ 700.15
2/28/2018	733	$ 696.35
3/31/2018	736	$ 699.20
4/30/2018	736	$ 701.10
5/31/2018	741	$ 703.95
6/30/2018	741	$ 703.95
7/31/2018	736	$ 702.05
8/31/2018	732	$ 695.40
9/30/2018	741	$ 712.50
10/31/2018	746	$ 708.70

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: February 27, 2019

Submitting Department: Finance
Staff Recommendations:

Contact Person: Brian Carmichael, RISK MANAGER-SENIOR
District: Citywide

Consent: No | Regular: Yes | Public Hearing: No | Report/Discussion: No

Agenda Wording:
Consideration and action pertaining to the FY2020 Workers' Compensation Plan Funding.

Motion:
I move to approve the recommended FY2020 Workers' Compensation Plan Funding.

Background:
Pursuant to Article V, Section H of the Health Benefits Trust Agreement:"In furtherance of the purpose of the Trust, as set forth in this Trust Agreement, the Board shall:H. Provide input and recommendations to the City Council, along with City staff and consultants, regarding Trust funding levels in order to establish and maintain, from contributions or other appropriations, reserves necessary to provide stability and security of the Trust, in accordance with sound actuarial and underwriting principles."

Objective Analysis:

Policy Compliant:
This item is compliant with the Comprehensive Financial Management Policies.

Financial Impact:
Staff has conducted a thorough review of anticipated plan expenses for FY2020 (beginning July 1, 2019).We will demonstrate the effect of the proposed contribution funding on the financial position of the workers' compensation trust fund

Budget Impact:
The budget is being recommended to maintain the current level equal to Fiscal Year 2019.
FTE Impact:

ATTACHMENTS:
1. 20190227 WC Budget Setting

SURPRISE
ARIZONA

FY2020
Workers Compensation Overview

Health Benefits Trust Fund Board

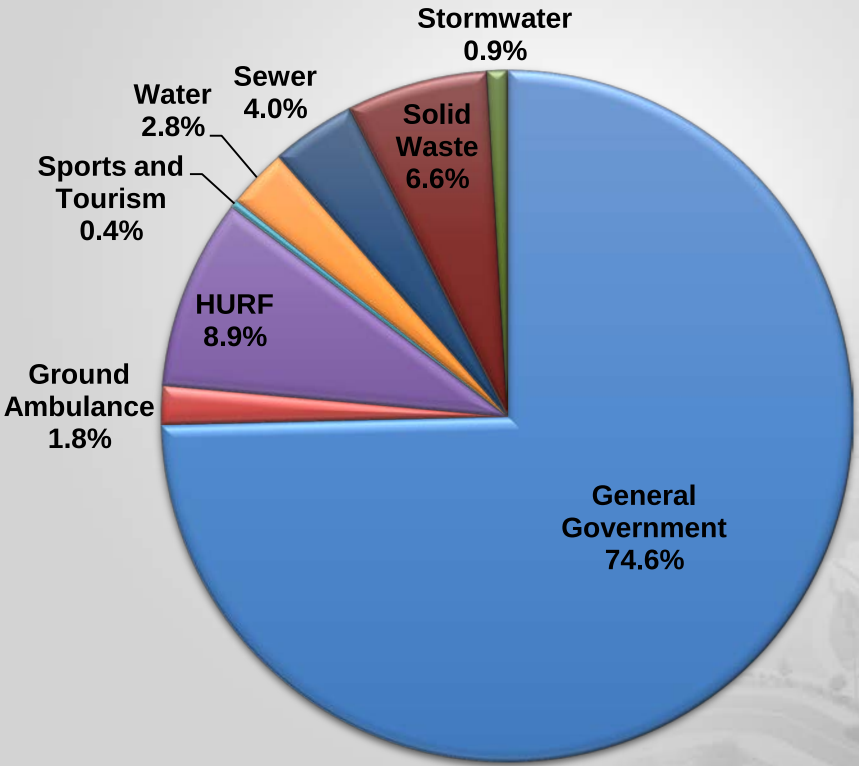
February 27, 2019

Worker’s Compensation Overview

- Review financial position of the trust
- Review program performance
- Review program projections
- Review FY2020 contribution rates

Review Financial Position of the WC Trust

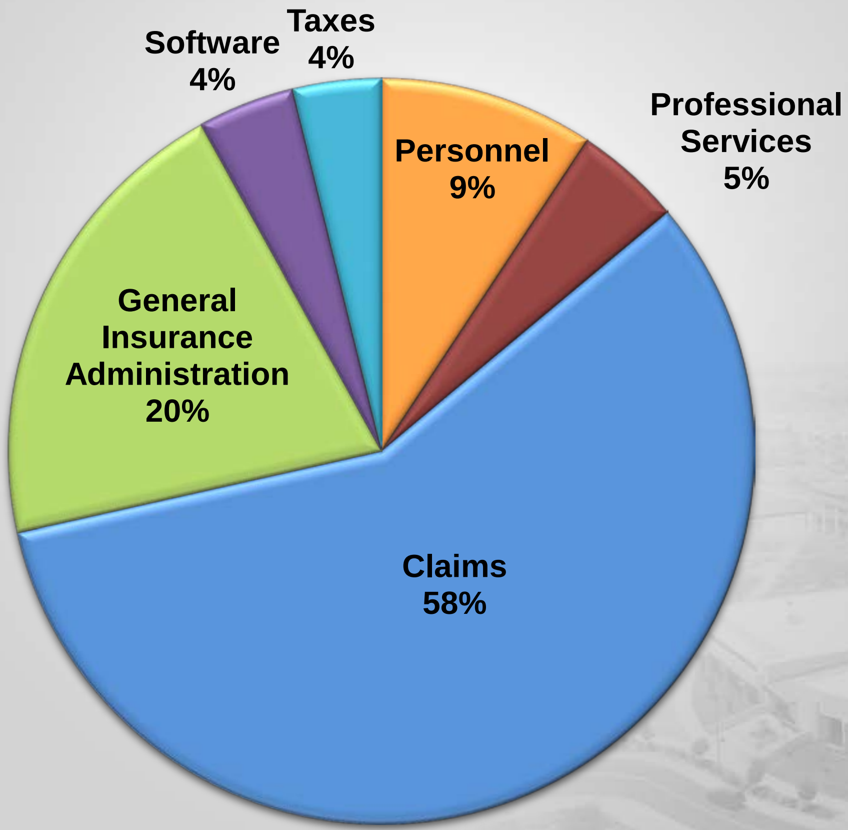
Sources



FY19 Budget of $974,100

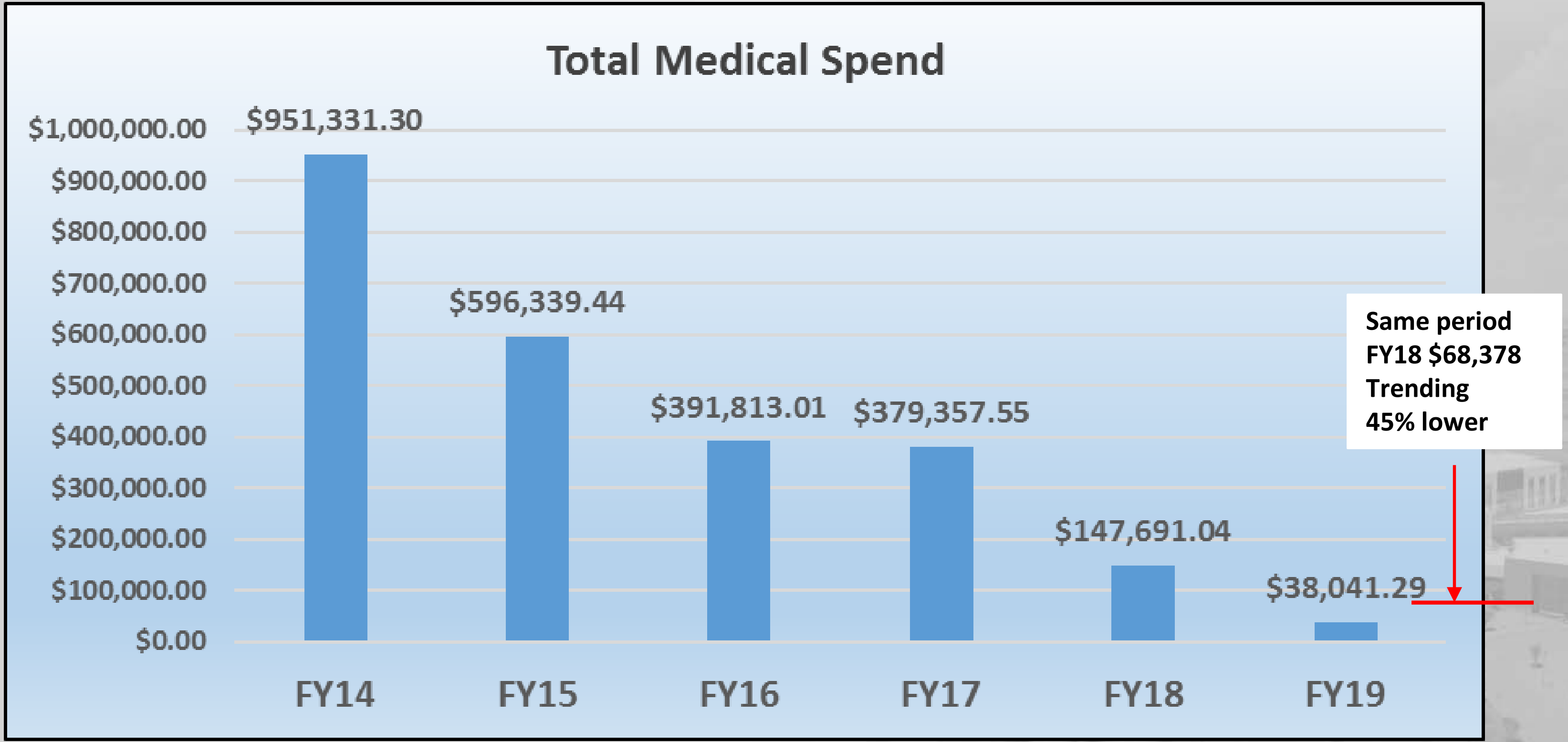
Review Financial Position of the WC Trust

Uses



FY19 Budget of $748,100

Review of WC Program Performance



Review of WC Program Projections

- Based on year-to-date claim expenditures, Risk Management projects FY19 claims to be approximately $100,000, which is $350,000 below budget.
- Excess insurance premiums are projected to increase slightly to approximately $170,000 for FY20, as the program is still in an early rating phase, from an insurance underwriting perspective. Rates are currently calculated on a premium rate of $0.28 per $100 of payroll with payroll projections of approximately $59 million.

Review of WC Contribution Rates

- **Entering the second year of the self-insured WC Program, it is recommended to assess Workers' Compensation Program premiums in the amount of $750,000 for FY20, using the same departmental contribution calculation as FY19. Appropriate baseline data is being captured in hopes of assessing premiums based on departmental loss history and subsequent program impact. This is most likely at least two fiscal away.**

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

CITY OF SURPRISE
Health Benefits Trust Fund Board

SURPRISE
ARIZONA

Council Meeting Date: February 27, 2019
Submitting Department: Finance
Staff Recommendations:

Contact Person: Andrea Davis
District: Citywide

Consent: No   Regular: Yes   Public Hearing: No   Report/Discussion: No

Agenda Wording:
Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar.

Motion:
I move to approve the Health Benefit Trust Fund Board Annual Calendar for 2019.

(Or, if amended) - I move to approve the Health Benefits Trust Fund Board Annual Calendar for 2019, as amended.

Background:
Per requirements for Boards and Commission Handbook, Boards that meet regularly must adopt an annual meeting schedule.

Objective Analysis:

Policy Compliant:

Financial Impact:
No financial impact.

Budget Impact:
No financial impact.
FTE Impact:

ATTACHMENTS:
1. HBTF PROPOSED CALENDAR - 2019 schedule

CITY OF SURPRISE

HEALTH BENEFITS TRUST FUND BOARD
16000 North Civic Center Plaza
Surprise, AZ 85374

2019 Meeting Calendar
Proposed

Health Benefits Trust Fund Board Meetings

Annual Calendar	**Regular Quarterly Meetings**
Location	**City of Surprise – Council Overflow Room**

Regular Meetings

February 27, 2019	**3:30 pm**
May 29, 2019	**4:00 pm**
August 28, 2019	**4:00 pm**
November 27, 2019	**4:00 pm**
(Or December 4, 2019)	

Special Meeting - March 13, 2019

- **Medical and Pharmacy Funding Rate Projection**
- **Budget Plan Design & Contribution Rate Setting**

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: February 27, 2019
Submitting Department: Finance
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No   Regular: No   Public Hearing: No   Report/Discussion: No

Agenda Wording:
Consideration and action pertaining to placing items on future agenda.

Motion:
Discussion only

Background:
This item provides the opportunity for the board to have an open discussion on items to be placed on future agendas. Items are also added by staff as needed based on citizen, board, council, and administrative requests.

Objective Analysis:

Policy Compliant:

Financial Impact:
N/A

Budget Impact:
N/A
FTE Impact:

ATTACHMENTS: