



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374

Wednesday, November 30, 2022 @ 4:00 PM
COUNCIL CHAMBERS OVERFLOW ROOM

- 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 August 24, 2022 Health Benefits Trust Fund Board meeting minutes. Finance

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- 2. Citywide Presentation and discussion pertaining to CBIZ Consulting FY2023 1st Quarter Report. None
Donna Meuse
Finance
- 3. Citywide Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2022 4th Quarter and FY2023 1st Quarter. None
Andrea Davis
Finance
- 4. Citywide Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar for 2023. Andrea Davis
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: Wednesday, November 23, 2022 @ 10:15 a.m.

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 Meeting

Council Meeting Date: November 30, 2022
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 August 24, 2022 Health Benefits Trust Fund Board meeting minutes.

Motion:

I move to approve the August 24, 2022 Health Benefits Trust Fund Board meeting minutes.

Background:

Attached are the minutes from the August 24, 2022 meeting.

Objective Analysis:

Policy Compliant:

Financial Impact:

No financial impact.

Budget Impact:

No budget impact.

FTE Impact:

No FTE impact.

ATTACHMENTS:

1. HBTF MINUTES 08.24.22 Draft
-

CITY OF SURPRISE

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

August 24, 2022

MEETING MINUTES

CALL TO ORDER

Vice Chair Coniam called the Health Benefits Trust Fund Meeting to order at 4:04 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, August 24, 2022.

ROLL CALL

In attendance were Vice Chair William Coniam, Board Member Candice Rachal, and Board Member Andrea Davis. Chair Renee Pastor and Board Member Barb Minick were absent and excused.

STAFF PRESENT:

Paige Gearhart, Human Resources Manager; Lindsey Steinhoff, Human Resources Business Partner; Digger Oster, Risk Manager – Senior; Jennifer Medina, Budget Manager; Julie Ralls, Accountant – Senior; Erick Martin, Accounting Manager.

PLEDGE OF ALLEGIANCE

CURRENT EVENTS REPORT

None

STAFF REPORT

None

CALL TO THE PUBLIC

None

CONSENT AGENDA

Item 1: Consideration and action pertaining to the approval of the May 25, 2022 Health Benefits Trust Fund Board Meeting Minutes.

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

REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING

Item 2: Presentation and discussion pertaining to CBIZ Consulting FY2022 4th Quarter Report.

- Michael Barberio presented CBIZ Consulting's FY2022 4th Quarter Report.
- Andrea Davis stated that the city year end financials were not quite complete but would be presented at the next quarterly meeting with the FY2023 1st Quarter information.
- Michael Zucarelli presented the city's pharmacy spend and rebate summary. Michael also discussed the increase of pharmacy prices.

OTHER BUSINESS

ADJOURNMENT

Vice Chair Coniam made a motion to adjourn the meeting. Board Member Davis seconded the motion. Motion passed. Hearing no further business, Vice Chair Coniam adjourned the Health Benefits Trust Fund meeting at 4:30 p.m.

Renee Pastor, Chair
Health Benefits Trust Fund Board



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: November 30, 2022

Contact Person: Donna Meuse, Human Resources Director

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to CBIZ Consulting FY2023 1st Quarter Report.

Motion:

None: Discussion Only

Background:

CBIZ Consulting will present the 1st Quarter self-funded medical, dental, and vision report for plan year FY2023 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:

FTE Impact:

ATTACHMENTS:

1. City of Surprise Medical, Dental & Vision Experience 09 22 - Final
2. 2022 City of Surprise PBM Summary thru September



City of Surprise

Medical, Pharmacy, Dental & Vision Experience

Plan Year: *July 2022 – June 2023*

Month End: *September 2022*

Presented by your CBIZ Team

Mike Barberio, Branson Cobb, Melissa Barbakoff & Margaret Latham



our **business**
is growing **yours.**



Executive Summary

Medical and Pharmacy

The experience report illustrates claims paid for the first quarter of the new plan year that began July 2022. The overall claims are higher than they have been in years past for the first quarter. Expected claims for the first quarter have come in at 98.5% and 80.5% for maximum claims liability. Average covered lives have increased to 843 lives from 799 this time last year, 5.5% increase. The month of February had abnormally high claims that was predominately driven by high-cost claimants. This is likely due to the City's accumulators resetting in July. Overall, there were more claimants that hit \$25K or greater in August of 2022 (13 claimants) vs. August of 2021 (9 claimants). The claims for September are more in line with the City's historical norms. Gross run out claims through September were \$787,321, after rebates and stop loss recoveries that amount drops to \$483,599. There is still one additional pharmacy quarterly rebate that will be applied during the run-out period.

Claims Spend & Loss Ratio by Plan Design:

- HMO -52% of total claims, 97.7% loss ratio
- PPO – 34% of total claims, 112.7% loss ratio
- EPO – 14% of total claims, 64.7% loss ratio

The City of Surprise Human Resources team has developed training and education to encourage employees to enroll into the EPO plan. Last year they were able to increase lives into the EPO by 30.33% and this year enrollment in the EPO plan increased 25.8%.

Enrollment by Plan:

- **HMO – -5% decrease in enrollment in the HMO plan**
 - 2022 - 347
 - 2021 – 365
 - 2020 – 268
- **PPO – 7.2% increase in enrollment in the PPO plan**
 - 2022 - 296
 - 2021 - 276
 - 2020 – 268
- **EPO – 25.8% increase in enrollment in the EPO plan**
 - 2022 - 200
 - 2021 - 159
 - 2020 -122



Medical and Pharmacy Continued

One the Annual Cost Comparison slide, the grid all the way the right-hand side or as seen below illustrates the year over year total cost history increase or decrease. The CBIZ analytics team is currently predicting that from a total cost perspective the City is current plan is running 13.1% higher than the 2021/2022 plan year. Currently medical claims which include a completion factor and escalator load are coming in 15.07% higher then the 2020/2021 plan year. Pharmacy claims are 18.84% higher than the 2020/2021 plan year.

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	\$1,151.77	-4.2%
2018/2019	\$1,200.23	4.2%
2019/2020	\$1,201.50	0.1%
2020/2021	\$1,161.53	-3.3%
2021/2022	\$1,457.44	25.5%
2022/2023	\$1,649.05	13.1%

There are two large claims that over the \$100,000 threshold. Claimant 1 has hit the stop loss deductible amount and so far, \$8,989 has been reimbursed. The second large claimant is at 44.6% of the stop loss deductible. Both large claimants are ongoing.

Dental

Dental claims are running very similar to the 2020-2021 plan year. Dental claims run higher in the first quarter but then tend normalize. The current loss ratio through September is 100.9%, for the same time period last year it was 108.9%. Through September the dental PEPM is \$91.13, compared to last year at \$99.54.

Vision

Vision claims have followed similar utilization patterns from prior years. Vision claims through the first quarter are at 99.7%. This is lower than previous years. Last year's claims through the first quarter had 134.6% loss ratio.



City of Surprise

Paid Claims and Administration

Plan Year: July 2022 to June 2023 (as of September 2022)

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 & Performance Guarantees	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 Reimbursement PEPM	Total Claims & Fees PEPM
Jul-22	835	\$ 1,068,539	\$ 1,308,684	\$ 443,125	\$ 238,089	\$ -	\$ (736)	\$ 7,205	\$ 1,525	\$ -	\$ 689,209	\$ 122,080	\$ 811,288	64.5%	52.7%	\$540.26	\$285.14	\$825.40	\$825.40	\$971.60
Aug-22	840	\$ 1,076,111	\$ 1,317,343	\$ 1,117,709	\$ 327,839	\$ -	\$ 2,215	\$ 7,214	\$ 1,593	\$ -	\$ 1,456,569	\$ 122,811	\$ 1,579,380	135.4%	110.6%	\$1,343.73	\$390.28	\$1,734.01	\$1,734.01	\$1,880.21
Sep-22	855	\$ 1,090,096	\$ 1,334,659	\$ 791,709	\$ 248,385	\$ -	\$ 1,843	\$ 7,266	\$ 1,579	\$ (8,989)	\$ 1,041,793	\$ 125,004	\$ 1,166,797	95.6%	78.1%	\$938.48	\$290.51	\$1,228.98	\$1,218.47	\$1,364.67
Oct-22																				
Nov-22																				
Dec-22																				
Jan-23																				
Feb-23																				
Mar-23																				
Apr-23																				
May-23																				
Jun-23																				
Total	2,530	\$ 3,234,746	\$ 3,960,686	\$ 2,352,542	\$ 814,314	\$ -	\$ 3,322	\$ 21,685	\$ 4,697	\$ (8,989)	\$ 3,187,571	\$ 369,894	\$ 3,557,465	98.5%	80.5%	\$941.60	\$321.86	\$1,263.46	\$1,259.91	\$1,406.11
Avg	843																			

Administrative Fees	PPO Plan			HMO Plan			EPO Plan		
	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Administration	\$52.79	\$52.79	\$52.79	\$52.79	\$52.79	\$52.79	\$52.79	\$52.79	\$52.79
Specific Stoploss 12/24 \$250,000 ISL	\$88.67	\$88.67	\$88.67	\$88.67	\$88.67	\$88.67	\$88.67	\$88.67	\$88.67
Aggregate Stoploss (125%)	\$5.10	\$5.10	\$5.10	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55
Total Admin Fees	\$146.56	\$146.56	\$146.56	\$146.01	\$146.01	\$146.01	\$146.01	\$146.01	\$146.01

Claim Expenses	PPO Plan			HMO Plan			EPO Plan		
	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Expected Liability	\$519.00	\$1,184.52	\$1,716.94	\$542.31	\$1,230.63	\$1,781.31	\$476.93	\$1,099.85	\$1,598.21
Maximum Liability (ICAP)	\$754.88	\$1,501.88	\$2,099.47	\$767.09	\$1,526.34	\$2,133.75	\$645.87	\$1,285.14	\$1,796.58



City of Surprise

Paid Claims and Administration

Plan Year: July 2022 to June 2023 (as of September 2022)

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	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-22	293	\$ 362,638	\$ 457,529	\$ 123,370	\$ 77,533	\$ -	\$ 200,903	\$ 42,942	\$ 243,845	55.4%	43.9%	\$421.06	\$264.62	\$685.68	\$832.24
Aug-22	295	\$ 365,540	\$ 461,131	\$ 460,143	\$ 97,809	\$ -	\$ 557,951	\$ 43,235	\$ 601,186	152.6%	121.0%	\$1,559.81	\$331.55	\$1,891.36	\$2,037.92
Sep-22	301	\$ 371,848	\$ 469,245	\$ 258,055	\$ 66,386	\$ (8,989)	\$ 315,452	\$ 44,115	\$ 359,567	84.8%	67.2%	\$857.33	\$220.55	\$1,077.88	\$1,194.57
Oct-22															
Nov-22															
Dec-22															
Jan-23															
Feb-23															
Mar-23															
Apr-23															
May-23															
Jun-23															
Total	889	\$ 1,100,026	\$ 1,387,905	\$ 841,568	\$ 241,727	\$ (8,989)	\$ 1,074,306	\$ 130,292	\$ 1,204,598	97.7%	77.4%	\$946.65	\$271.91	\$1,218.55	\$1,355.00
Avg	296														

Administrative Fees	PPO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	\$52.79	\$52.79	\$52.79
Specific Stoploss 12/24 \$250,000 ISL	\$88.67	\$88.67	\$88.67
Aggregate Stoploss (125%)	\$5.10	\$5.10	\$5.10
Total Admin Fees	\$146.56	\$146.56	\$146.56

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	\$519.00	\$1,184.52	\$1,716.94
Maximum Liability (ICAP)	\$754.88	\$1,501.88	\$2,099.47

Month	Number of Enrollees by Month			Total
	EE	EE + 1	EE + Fam	
July	91	59	143	293
August	91	60	144	295
September	93	63	145	301
October				
November				
December				
January				
February				
March				
April				
May				
June				
Totals	275	182	432	889

City of Surprise

Paid Claims and Administration

Plan Year: July 2022 to June 2023 (as of September 2022)

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	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-22	349	\$ 489,516	\$ 598,901	\$ 280,719	\$ 116,612	\$ -	\$ 397,331	\$ 50,957	\$ 448,288	81.2%	66.3%	\$804.35	\$334.13	\$1,138.48	\$1,284.49
Aug-22	346	\$ 487,339	\$ 595,993	\$ 561,936	\$ 148,804	\$ -	\$ 710,740	\$ 50,519	\$ 761,260	145.8%	119.3%	\$1,624.09	\$430.07	\$2,054.16	\$2,200.17
Sep-22	346	\$ 486,237	\$ 594,778	\$ 433,779	\$ 107,375	\$ -	\$ 541,155	\$ 50,519	\$ 591,674	111.3%	91.0%	\$1,253.70	\$310.33	\$1,564.03	\$1,710.04
Oct-22															
Nov-22															
Dec-22															
Jan-23															
Feb-23															
Mar-23															
Apr-23															
May-23															
Jun-23															
Total	1,041	\$ 1,463,092	\$ 1,789,672	\$ 1,276,435	\$ 372,791	\$ -	\$ 1,649,226	\$ 151,996	\$ 1,801,222	112.7%	92.2%	\$1,226.16	\$358.11	\$1,584.27	\$1,730.28
Avg	347														

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	\$52.79	\$52.79	\$52.79
Specific Stoploss 12/24 \$250,000 ISL	\$88.67	\$88.67	\$88.67
Aggregate Stoploss (125%)	\$4.55	\$4.55	\$4.55
Total Admin Fees	\$146.01	\$146.01	\$146.01

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	\$542.31	\$1,230.63	\$1,781.31
Maximum Liability (ICAP)	\$767.09	\$1,526.34	\$2,133.75

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	76	69	204	349
August	73	70	203	346
September	73	72	201	346
October				
November				
December				
January				
February				
March				
April				
May				
June				
Totals	222	211	608	1,041

City of Surprise

Paid Claims and Administration

Plan Year: July 2022 to June 2023 (as of September 2022)

Incurred and Paid

BlueCross BlueShield of Arizona & Optum Rx - EPO Plan										Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	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-22	193	\$ 216,385	\$ 252,253	\$ 39,036	\$ 43,945	\$ -	\$ 82,981	\$ 28,180	\$ 111,161	38.3%	32.9%	\$202.26	\$227.69	\$429.95	\$575.96
Aug-22	199	\$ 223,233	\$ 260,220	\$ 95,629	\$ 81,227	\$ -	\$ 176,856	\$ 29,056	\$ 205,912	79.2%	68.0%	\$480.55	\$408.18	\$888.73	\$1,034.74
Sep-22	208	\$ 232,010	\$ 270,636	\$ 99,874	\$ 74,624	\$ -	\$ 174,498	\$ 30,370	\$ 204,868	75.2%	64.5%	\$480.17	\$358.77	\$838.93	\$984.94
Oct-22															
Nov-22															
Dec-22															
Jan-23															
Feb-23															
Mar-23															
Apr-23															
May-23															
Jun-23															
Total	600	\$ 671,628	\$ 783,109	\$ 234,540	\$ 199,795	\$ -	\$ 434,335	\$ 87,606	\$ 521,941	64.7%	55.5%	\$390.90	\$332.99	\$723.89	\$869.90
Avg	200														

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	\$52.79	\$52.79	\$52.79
Specific Stoploss 12/24 \$250,000 ISL	\$88.67	\$88.67	\$88.67
Aggregate Stoploss (125%)	\$4.55	\$4.55	\$4.55
Total Admin Fees	\$146.01	\$146.01	\$146.01

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	\$476.93	\$1,099.85	\$1,598.21
Maximum Liability (ICAP)	\$645.87	\$1,285.14	\$1,796.58

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	67	34	92	193
August	69	35	95	199
September	74	35	99	208
October				
November				
December				
January				
February				
March				
April				
May				
June				
Totals	210	104	286	600

City of Surprise
Paid Claims and Administration
Plan Year: July 2021 to June 2022 (as of September 2022)
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 & Performance Guarantees	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 Reimbursement PEPM	Total Claims & Fees PEPM
Jul-21	795	\$ 1,002,888	\$ 1,209,887	\$ 322,951	\$ 195,921	\$ -	\$ 1,003	\$ 7,035	\$ 1,721	\$ -	\$ 528,630	\$ 109,184	\$ 637,814	52.7%	43.7%	\$418.50	\$246.44	\$664.94	\$664.94	\$802.28
Aug-21	799	\$ 1,010,908	\$ 1,218,979	\$ 661,061	\$ 217,018	\$ -	\$ 1,090	\$ 7,102	\$ 1,629	\$ -	\$ 887,900	\$ 109,734	\$ 997,634	87.8%	72.8%	\$839.65	\$271.61	\$1,111.26	\$1,111.26	\$1,248.60
Sep-21	803	\$ 1,016,566	\$ 1,225,523	\$ 739,246	\$ 218,170	\$ -	\$ 278	\$ 7,082	\$ 956	\$ -	\$ 965,732	\$ 110,285	\$ 1,076,017	95.0%	78.8%	\$930.96	\$271.69	\$1,202.65	\$1,202.65	\$1,340.00
Oct-21	801	\$ 1,011,746	\$ 1,219,745	\$ 841,297	\$ 217,625	\$ -	\$ 1,408	\$ 7,114	\$ 3,132	\$ -	\$ 1,070,576	\$ 110,010	\$ 1,180,586	105.8%	87.8%	\$1,064.86	\$271.69	\$1,336.55	\$1,336.55	\$1,473.89
Nov-21	806	\$ 1,015,302	\$ 1,224,074	\$ 824,343	\$ 249,799	\$ -	\$ 2,381	\$ 7,094	\$ 1,712	\$ -	\$ 1,085,328	\$ 110,696	\$ 1,196,024	106.9%	88.7%	\$1,036.64	\$309.92	\$1,346.56	\$1,346.56	\$1,483.90
Dec-21	809	\$ 1,015,903	\$ 1,225,001	\$ 811,101	\$ 203,750	\$ -	\$ 1,600	\$ 7,067	\$ 1,567	\$ -	\$ 1,025,085	\$ 111,108	\$ 1,136,193	100.9%	83.7%	\$1,015.25	\$251.85	\$1,267.10	\$1,267.10	\$1,404.44
Jan-22	811	\$ 1,019,147	\$ 1,228,640	\$ 690,819	\$ 207,592	\$ (149,160)	\$ 1,304	\$ 7,158	\$ 1,576	\$ -	\$ 759,288	\$ 111,383	\$ 870,671	74.5%	61.8%	\$864.19	\$255.97	\$936.24	\$936.24	\$1,073.58
Feb-22	813	\$ 1,015,971	\$ 1,225,080	\$ 914,393	\$ 212,279	\$ -	\$ 1,788	\$ 7,161	\$ 1,574	\$ -	\$ 1,137,194	\$ 111,656	\$ 1,248,850	111.9%	92.8%	\$1,137.66	\$261.11	\$1,398.76	\$1,398.76	\$1,536.10
Mar-22	815	\$ 1,019,699	\$ 1,229,209	\$ 902,985	\$ 285,791	\$ -	\$ 1,509	\$ 7,123	\$ 1,571	\$ -	\$ 1,198,978	\$ 111,930	\$ 1,310,908	117.6%	97.5%	\$1,120.48	\$350.66	\$1,471.14	\$1,471.14	\$1,608.48
Apr-22	826	\$ 1,028,430	\$ 1,240,012	\$ 803,928	\$ 259,898	\$ (149,285)	\$ (1,929)	\$ 7,243	\$ 1,416	\$ (31,405)	\$ 889,867	\$ 113,441	\$ 1,003,308	86.5%	71.8%	\$981.43	\$314.65	\$1,115.34	\$1,077.32	\$1,214.66
May-22	827	\$ 1,028,803	\$ 1,240,633	\$ 877,548	\$ 199,590	\$ -	\$ 1,618	\$ 7,217	\$ -	\$ (46,083)	\$ 1,039,891	\$ 113,578	\$ 1,153,469	101.1%	83.8%	\$1,071.81	\$241.34	\$1,313.15	\$1,257.43	\$1,394.76
Jun-22	832	\$ 1,032,299	\$ 1,245,141	\$ 818,250	\$ 273,532	\$ -	\$ 3,122	\$ 7,190	\$ 2,991	\$ (76,779)	\$ 1,028,306	\$ 114,266	\$ 1,142,572	99.6%	82.6%	\$999.46	\$328.76	\$1,328.23	\$1,235.94	\$1,373.28
Total	9,737	\$ 12,217,662	\$ 14,731,923	\$ 9,207,920	\$ 2,740,965	\$ (298,445)	\$ 15,171	\$ 85,585	\$ 19,845	\$ (154,266)	\$ 11,616,775	\$ 1,337,272	\$ 12,954,047	95.1%	78.9%	\$958.05	\$281.50	\$1,208.90	\$1,193.05	\$1,330.39
Avg	811																			

BCBS and Optum Rx Runout							
Month	Paid Medical	Paid Rx	Optum Rx Rebates*	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery	Total Paid Claims
Jul-22	\$ 595,860	\$ 599	\$ (187,775)	\$ 1,063	\$ 15	\$ (114,392)	\$ 295,370
Aug-22	\$ 158,790	\$ 0	\$ -	\$ 118	\$ 32	\$ (3,845)	\$ 155,096
Sep-22	\$ 32,671	\$ 340	\$ -	\$ 105	\$ 18	\$ -	\$ 33,133
Oct-22							
Nov-22							
Dec-22							
Jan-23							
Feb-23							
Mar-23							
Apr-23							
May-23							
Jun-23							
Total	\$ 787,321	\$ 940	\$ (187,775)	\$ 1,286	\$ 64	\$ (118,236)	\$ 483,599

2021-2022 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
\$ 12,372,877	\$ (272,503)	\$ 12,100,374	\$ 1,337,272	\$ 13,437,646	99.0%	82.1%	\$ 1,380.06

Specific Stoploss 12/24 \$250,000 ISL
 Aggregate Stoploss (125%)

City of Surprise

Plan Year: July 2022 to June 2023 (as of September 2022)

Annual Cost Comparison Analysis

Incurred and Paid - 2021/2022 vs. 2022/2023

Cost Categories	2021/2022 with Runout	PEPM Costs	2022/2023 Estimated Annual*	PEPM Costs
Medical Claims Costs*	\$10,794,860	\$1,108.64	\$12,421,423	\$1,227.41
Rx Claims Costs	\$2,740,965	\$281.50	\$3,257,255	\$321.86
Rx Rebates	(\$648,293)	(\$66.58)	(\$579,739)	(\$57.29)
Blue Card, Capitation Expenses, Misc and Value Based Services	\$120,601	\$12.39	\$118,814	\$11.74
Stop Loss Recoveries**	(\$154,266)	(\$15.84)	(\$8,989)	(\$0.89)
Admin Fees	\$1,337,272	\$137.34	\$1,479,577	\$146.20
Total Costs	\$14,191,138	\$1,457.44	\$16,688,342	\$1,649.05

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
15.07%	\$1,626,564	10.7%	\$118.77
18.84%	\$516,290	14.3%	\$40.36
-10.57%	\$68,554	-14.0%	\$9.29
-1.48%	(\$1,787)	-5.2%	(\$0.65)
n/a	\$145,278	n/a	\$14.96
10.64%	\$142,305	6.5%	\$8.86
17.6%	\$2,497,203	13.1%	\$191.60

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	\$1,151.77	-4.2%
2018/2019	\$1,200.23	4.2%
2019/2020	\$1,201.50	0.1%
2020/2021	\$1,161.53	-3.3%
2021/2022	\$1,457.44	25.5%
2022/2023	\$1,649.05	13.1%

	Annual
Enrollment	9,737

	Annualized
Enrollment	10,120

% Enrollment Change	# Enrollment Change
3.93%	383

*2022/2023 Medical Claims Costs includes a 10% completion factor

*2022/2023 Medical Claims Costs includes an escalator load for participants who have not met deductibles

**Stop Loss Recoveries are not annualized

Incurred and Paid - 2020/2021 vs. 2021/2022

Cost Categories	2020/2021 with Runout	PEPM Costs	2021/2022 with Runout	PEPM Costs
Medical Claims Costs*	\$7,953,297	\$848.62	\$10,794,860	\$1,108.64
Rx Claims Costs**	\$2,639,158	\$281.60	\$2,740,965	\$281.50
Rx Rebates	(\$511,185)	(\$54.54)	(\$648,293)	(\$66.58)
Blue Card, Capitation Expenses, Misc and Value Based Services	\$120,559	\$12.86	\$120,601	\$12.39
Stop Loss Recoveries***	(\$589,148)	(\$62.86)	(\$154,266)	(\$15.84)
Admin Fees	\$1,273,185	\$135.85	\$1,337,272	\$137.34
Total Costs	\$10,885,866	\$1,161.53	\$14,191,138	\$1,457.44

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
35.73%	\$2,841,562	30.6%	\$260.02
3.86%	\$101,807	0.0%	(\$0.10)
26.82%	(\$137,108)	22.1%	(\$12.04)
0.03%	\$42	-3.7%	(\$0.48)
n/a	\$434,881	n/a	\$47.02
5.03%	\$64,087	1.1%	\$1.49
30.4%	\$3,305,272	25.5%	\$295.91

	Annual
Enrollment	9,372

	Annualized
Enrollment	9,737

% Enrollment Change	# Enrollment Change
3.89%	365

*2021/2022 Medical Claims Costs includes a 8% completion factor

City of Surprise

Blue Cross Blue Shield - Large Claims over \$100k

Plan Year: July 2022 to June 2023 (as of September 2022)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Month	Previous Month's YTD Paid Claims	Change from Prior Month's Claims	% of \$250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
1	E014	Y	Active	PPO	\$258,861	\$128	\$258,989	\$248,777	\$10,211	100.0%	(\$8,989)	\$250,000
2	E015	Y	Active	HMO	\$111,560	\$0	\$111,560		\$111,560	44.6%		\$111,560

Total	\$370,421	\$128	\$370,549	\$248,777	\$121,771
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(\$8,989)	\$361,560
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Percentage of Large Claims vs. Medical & Rx Claims	11.7%
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City of Surprise

Blue Cross Blue Shield - Large Claims over \$100k

Plan Year: July 2021 to June 2022 (as of September 2022)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Month	Previous Month's YTD Paid Claims	Change from Prior Month's Claims	% of \$250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
1	D014	Y	Active	PPO	\$365,702	\$6,533	\$372,235	\$372,235	\$0	100.0%	(\$122,235)	\$250,000
2	E002	N	Active	PPO	\$346,497	\$0	\$346,497	\$346,497	\$0	100.0%	(\$96,497)	\$250,000
3	C014	Y	Active	HMO	\$326	\$287,178	\$287,504	\$287,504	\$0	100.0%	(\$37,504)	\$250,000
4	E015	N	Active	HMO	\$266,267	\$0	\$266,267	\$266,267	\$0	100.0%	(\$16,267)	\$250,000
5	C006	Y	Active	EPO	\$867	\$196,918	\$197,785	\$197,785	\$0	79.1%		\$197,785
6	C011	Y	Active	HMO	\$153,077	\$16,835	\$169,912	\$169,822	\$90	68.0%		\$169,912
7	E004	N	Active	PPO	\$2,862	\$166,415	\$169,278	\$169,278	\$0	67.7%		\$169,278
8	C018	Y	Active	HMO	\$132,289	\$19,026	\$151,315	\$151,315	\$0	60.5%		\$151,315
9	E003	N	Active	PPO	\$125,921	\$114	\$126,035	\$126,035	\$0	50.4%		\$126,035
10	E010	N	Active	HMO	\$115,091	\$8,281	\$123,371	\$123,371	\$0	49.3%		\$123,371
11	E009	N	Termed	HMO	\$118,623	\$184	\$118,807	\$118,807	\$0	47.5%		\$118,807
12	E006	N	Active	EPO	\$117,056	\$1	\$117,057	\$117,057	\$0	46.8%		\$117,057
13	E017	N	Termed	PPO	\$113,932	\$1,401	\$115,334	\$115,312	\$22	46.1%		\$115,334
14	A010	Y	Termed	HMO	\$98,155	\$2,533	\$100,688	\$100,688	\$0	40.3%		\$100,688

Total	\$1,956,666	\$705,418	\$2,662,084	\$2,661,972	\$112	(\$272,503)	\$2,389,581
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Percentage of Large Claims vs. Medical & Rx Claims	22.3%
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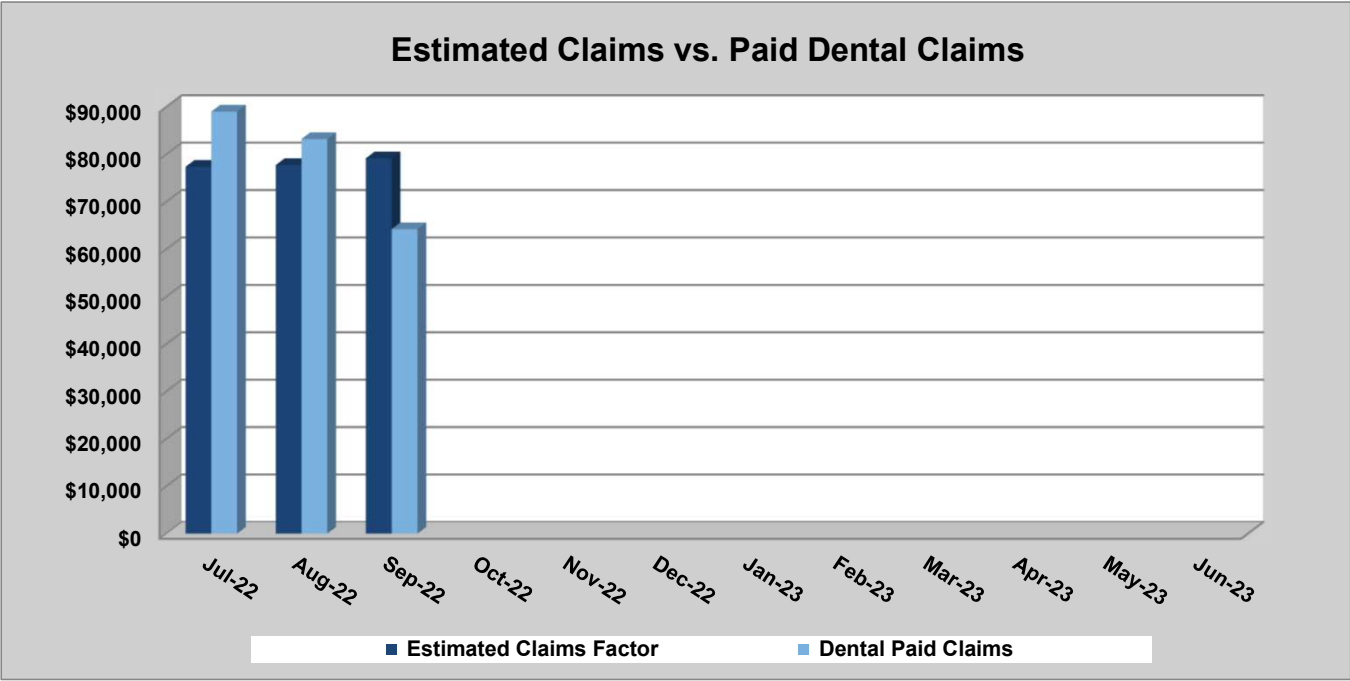
Dental Reports



City of Surprise
Delta Dental Self Funded Paid Claims
 Plan Year: July 2022 to June 2023 (as of September 2022)

Delta 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-22	857	\$77,379	\$3,042	\$89,024	\$92,066	115.0%	\$103.88	\$107.43
Aug-22	861	\$77,740	\$3,057	\$83,235	\$86,291	107.1%	\$96.67	\$100.22
Sep-22	877	\$79,184	\$3,113	\$64,218	\$67,332	81.1%	\$73.22	\$76.77
Oct-22								
Nov-22								
Dec-22								
Jan-23								
Feb-23								
Mar-23								
Apr-23								
May-23								
Jun-23								
Total	2,595	\$234,303	\$9,212	\$236,476	\$245,689	100.9%	\$91.13	\$94.68
Avg PEPM Enrollment	865							

Admin Fees		Employee
Administration		\$3.55
Claim Expenses		
Estimated Claim Factor		\$90.29
Premium Equivalent Rates		
EE	EE + 1	Family
\$38.18	\$75.50	\$123.16



City of Surprise

Delta Dental Dental Claims

Plan Year: July 2022 to June 2023 (as of September 2022)

Annual Cost Comparison Analysis 2021/2022 vs. 2022/2023

Cost Categories	2021/2022 Estimated Annual Costs	PEPM Costs	2022/2023 Estimated Annual Costs	PEPM Costs
Dental Claims	\$807,999	\$80.61	\$945,905	\$91.13
Admin Fees	\$35,585	\$3.55	\$36,849	\$3.55
Total Costs	\$843,584	\$84.16	\$982,754	\$94.68

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
17.1%	\$137,906	13.1%	\$10.52
3.6%	\$1,264	0.0%	\$0.00
16.5%	\$139,170	12.5%	\$10.52

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	\$91.62	5.8%
2019/2020	\$68.78	-24.9%
2020/2021	\$86.85	26.3%
2021/2022	\$84.16	-3.1%
2022/2023	\$94.68	12.5%

	Annual
Enrollment	10,024

Annualized
10,380

% Enrollment Change	# Enrollment Change
3.6%	356

Annual Cost Comparison Analysis 2020/2021 vs. 2021/2022

Cost Categories	2020/2021 Annual Costs	PEPM Costs	2021/2022 Estimated Annual Costs	PEPM Costs
Dental Claims*	\$803,660	\$83.30	\$807,999	\$80.61
Admin Fees	\$34,239	\$3.55	\$35,585	\$3.55
Total Costs	\$837,899	\$86.85	\$843,584	\$84.16

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
0.5%	\$4,339	-3.2%	(\$2.69)
3.9%	\$1,346	0.0%	\$0.00
0.7%	\$5,685	-3.1%	(\$2.69)

	Annual
Enrollment	9,648

Annualized
10,024

% Enrollment Change	# Enrollment Change
3.9%	376



Vision Reports



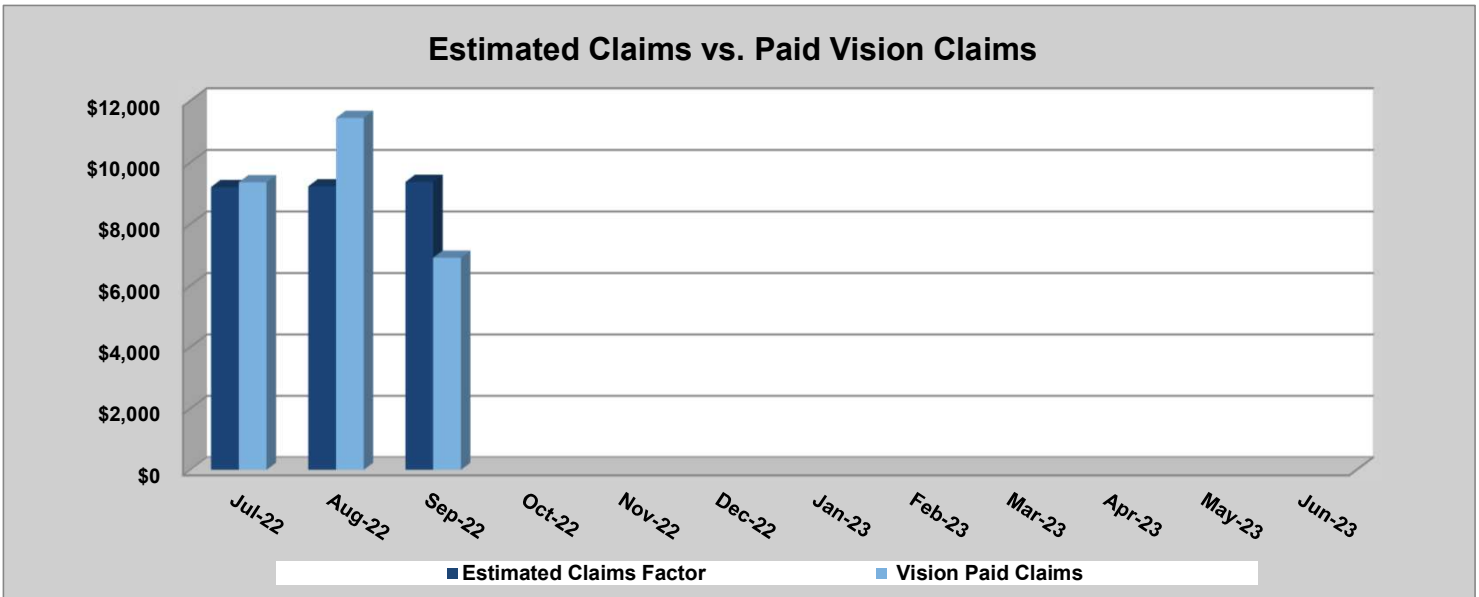
City of Surprise
Avesis Vision Self Funded Paid Claims
 Plan Year: July 2022 to June 2023 (as of September 2022)

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-22	832	\$9,202	\$790	\$9,359	\$10,149	101.7%	\$11.25	\$12.20
Aug-22	834	\$9,224	\$792	\$11,444	\$12,236	124.1%	\$13.72	\$14.67
Sep-22	847	\$9,368	\$805	\$6,909	\$7,713	73.7%	\$8.16	\$9.11
Oct-22								
Nov-22								
Dec-22								
Jan-23								
Feb-23								
Mar-23								
Apr-23								
May-23								
Jun-23								
Total	2,513	\$27,794	\$2,387	\$27,711	\$30,098	99.7%	\$11.03	\$11.98
Avg Enrollment	838							

Admin Fees	Employee
Administration	\$0.95

Claim Expenses	
Estimated Claim Factor	\$11.06

Premium Equivalent Rates	
EE	Family
\$5.04	\$14.30



City of Surprise

Avesis Vision Claims

Plan Year: July 2022 to June 2023 (as of September 2022)

Annual Cost Comparison Analysis 2021/2022 vs. 2022/2023

Cost Categories	2021/2022 Costs	PEPM Costs	2022/2023 Estimated Annual Costs	PEPM Costs
Vision Claims	\$103,227	\$10.59	\$110,842	\$11.03
Admin Fees	\$9,258	\$0.95	\$9,549	\$0.95
Total Costs	\$112,484	\$11.54	\$120,391	\$11.98

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
7.4%	\$7,616	4.1%	\$0.43
3.2%	\$292	0.0%	\$0.00
7.0%	\$7,907	3.8%	\$0.43

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	\$10.81	1.1%
2019/2020	\$9.87	-8.7%
2020/2021	\$11.53	16.8%
2021/2022	\$11.54	0.1%
2022/2023	\$11.98	3.8%

	Annual
Enrollment	9,745

Annualized
10,052

% Enrollment Change	# Enrollment Change
3.2%	307

Annual Cost Comparison Analysis 2020/2021 vs. 2021/2022

Cost Categories	2020/2021 Costs	PEPM Costs	2021/2022 Costs	PEPM Costs
Vision Claims	\$100,336	\$10.58	\$103,227	\$10.59
Admin Fees	\$9,010	\$0.95	\$9,258	\$0.95
Total Costs	\$109,346	\$11.53	\$112,484	\$11.54

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
2.9%	\$2,891	0.1%	\$0.01
2.8%	\$248	0.0%	\$0.00
2.9%	\$3,138	0.1%	\$0.01

	Annual
Enrollment	9,484

Annualized
9,745

% Enrollment Change	# Enrollment Change
2.8%	261



City of Surprise PBM Summary

January 1, 2022 – December 31, 2022

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

Prior Calendar Year - 2018

\$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)

\$50.49 – Results thru Dec, 2018 (includes 1st, 2nd, 3rd and 4th Q rebates)

Prior Calendar Year – 2019*

\$68.70 – Results thru March, 2019 (includes no rebates) \$53.84 with estimated rebates

\$56.32 – Results thru June, 2019 (includes 1st Q Rebate \$120,916)

\$53.35 – Results thru September, 2019 (includes 1st & 2nd Q Rebates)

\$66.75 – Results thru December, 2019 (includes 1st, 2nd, 3rd & 4th Q Rebates)

Prior Calendar Year – 2020

\$53.28 – Results thru March, 2020 (includes 1st Q rebate of \$131,400)

\$56.32 – Results thru June, 2020 (includes 1st Q & 2nd Q rebates of \$120,281)

\$87.82** – Results thru September, 2020 (includes 1st, 2nd & 3rd Q rebates of \$132,089)

\$74.55 – Results thru December, 2020 (includes 1st, 2nd, 3rd & 4th Q rebates of \$125,975)

Prior Calendar Year – 2021

\$84.47 – Results thru March, 2021 (includes 1st Q rebate of \$168,260)

\$83.48 – Results thru June, 2021 (includes 1st Q & 2nd Q rebates of \$133,310)

\$86.83 – Results thru September, 2021 (includes 1st, 2nd & 3rd Q rebates of \$149,160)

\$93.08 – Results thru December, 2021 (includes 1st, 2nd, 3rd & 4th Q estimated rebates of \$152,930)

Current Calendar Year – 2022

\$94.88 – Results thru March, 2022 (includes 1st Q rebate of \$187,775)

\$106.93 – Results thru June, 2022 (includes 1st Q Rebate & 2nd Q rebates of \$200,600)

\$109.29 – Results thru September, 2022 (includes 1st, 2nd & 3rd Q rebates of \$200,000)

\$00.00 – Results thru December, 2022 (includes 1st, 2nd, 3rd & 4th Q estimated rebates of \$200,000)

Your PMPM trend continues to be lower than the overall Optum book of business.

Projected Rebates (CY 22 - 12 months) - \$600,000

Projected Rebates Per Quarter - \$200,000 as of

April 2022

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

**Does not include \$53,710 paid in May, 2019 for pricing performance guarantees.*



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: November 30, 2022

Contact Person: Andrea Davis, DIRECTOR -
FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

Consent: No

Regular: Yes

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 FY2022 4th Quarter and FY2023 1st 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 FY2022 4th Quarter and FY2023 1st Quarter. This report contains unaudited financial activity through June 30, 2022 and September 30, 2022 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. 4th Quarter Self Insurance Fund 2022
2. 1st Quarter Self Insurance Fund 2023



City of Surprise, Arizona
Employee Healthcare Self Insurance Fund and Workers' Compensation Fund
June 30, 2022

	Employee Healthcare Trust Fund	Worker's Compensation Trust Fund
ASSETS		
Current assets:		
Cash and investments	\$ 8,554,621	\$ 3,994,300
Other Receivables	347,046	-
Prepaid services	1,071	-
Total current assets	8,902,738	3,994,300
Noncurrent assets:		
Net OPEB asset	3,180	2,770
Total noncurrent assets	3,180	2,770
Total assets	8,905,918	3,997,070

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - pension related	21,790	18,979
Deferred outflows of resources - OPEB related	565	492
Total deferred outflows of resources	22,355	19,471
Total assets and deferred outflows of resources	8,928,273	4,016,541

LIABILITIES

Current liabilities:		
Accounts payable	136,240	3,200
Accrued payroll and benefits	5,297	4,592
Compensated absences payable, due in less than one year	6,168	2,948
Claims payable	846,400	30,577
Claims - incurred but not reported (IBNR)	905,413	824,950
Total current liabilities	1,899,518	866,267
Noncurrent liabilities:		
Compensated absences payable, greater than one year	9,648	4,611
Net pension liability	83,985	73,146
Net OPEB liability	133	116
Total noncurrent liabilities	93,766	77,873
Total liabilities	1,993,284	944,139

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - pension related	27,211	23,941
Deferred inflow of resources - OPEB related	2,691	2,102
Total deferred inflows of resources	29,902	26,043
Total liabilities and deferred inflows of resources	2,023,186	970,182

NET POSITION

Restricted for:		
Committed - Industrial Commission Reserve	-	1,500,000
Committed - Adverse Claims Contingency Reserve	3,254,591	-
Unrestricted	3,650,496	1,546,359
Total net position	\$ 6,905,087	\$ 3,046,359

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 June 30, 2022

	F2022 Fourth Quarter Budget	FY 2022 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	\$ 2,631,700	\$ 2,527,835	(103,865)	(3.9%)
Dental	254,800	250,374	(4,426)	(1.7%)
Vision	29,800	32,330	2,530	8.5%
City Contributions			-	
Medical	10,515,500	10,344,412	(171,088)	(1.6%)
Dental	663,100	655,900	(7,200)	(1.1%)
Vision	86,400	82,195	(4,205)	(4.9%)
Cobra contributions	50,000	263,078	213,078	426.2%
Subrogation recovery	-	137,527	137,527	-
Wellness reimbursement	38,000	23,672	(14,328)	(37.7%)
Pharmacy rebate	597,200	826,428	229,228	38.4%
Miscellaneous Revenue	-	240,874	240,874	-
Interest revenue	43,400	(35,725)	(79,125)	(182.3%)
Total operating revenues	<u>14,909,900</u>	<u>15,348,900</u>	<u>439,000</u>	<u>3.9%</u>
OPERATING EXPENSES				
Personnel (Wages/Benefits)	109,200	115,511	(6,311)	(5.8%)
Wellness				
Work/life balance	39,500	23,274	16,226	41.1%
Physical & nutritional well being	-	590	(590)	-
Preventative Well-Being	-	-	-	-
Books & subscriptions	1,000	-	1,000	100.0%
Special event hosting	1,000	310	690	69.0%
Administration				
Medical	493,000	490,718	2,282	0.5%
Medical stop loss	825,100	844,095	(18,995)	(2.3%)
Dental	34,800	35,589	(789)	(2.3%)
Vision	9,200	9,258	(58)	(0.6%)
Claims				
Medical	10,077,100	10,030,505	46,595	0.5%
Pharmacy	2,263,800	2,770,928	(507,128)	(22.4%)
Dental	862,700	798,556	64,144	7.4%
Vision	103,100	105,957	(2,857)	(2.8%)
Professional outside services	113,300	108,837	4,463	3.9%
Travel & training	5,000	-	5,000	100.0%
Dues & membership	1,000	-	1,000	100.0%
Limited purpose flex spending	12,100	10,616	1,484	12.3%
Federal medical insurance fees	-	5,755	(5,755)	-
Other	-	1,292	(1,292)	-
Total operating expenses	<u>14,950,900</u>	<u>15,351,791</u>	<u>(399,599)</u>	<u>(2.7%)</u>
Operating income (loss)	<u>(41,000)</u>	<u>(2,890)</u>	<u>39,402</u>	

**NONOPERATING REVENUES
(EXPENSES)**

Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u> </u>
Income (loss) before contributions and transfers	(41,000)	(2,890)	39,402
Change in net position	<u>\$ (41,000)</u>	<u>\$ (2,890)</u>	<u>\$ 39,402</u>

City of Surprise, Arizona - Workers' Compensation
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual
For the quarter ended June 30, 2022

	<u>FY2022 Fourth Quarter Budget</u>	<u>FY 2022 Actual</u>	<u>Variance favorable (unfavorable)</u>	<u>% Variance</u>
OPERATING REVENUES				
City Contributions				
Worker's comp	\$ 1,497,500	\$ 1,706,358	\$ 208,858	13.9%
Subrogation recovery	-	-	-	-
Recovery of PY		11,071	11,071.00	-
Interest revenue	-	(38,710)	(38,710.00)	-
Total operating revenues	<u>1,497,500</u>	<u>1,678,719</u>	<u>181,219</u>	<u>12.1%</u>
OPERATING EXPENSES				
Personnel (Wages/Benefits)	97,600	107,168	(9,568)	(9.8%)
Administration	300,000	234,785	65,215	21.7%
Claims				-
Claim Settlement	955,000	1,442,863	(487,863)	(51.1%)
Municipal Firefighters Cancer	375,000	366,916	8,084	2.2%
Software license	45,000	32,207	12,793	28.4%
Taxes Chages Service Fees	40,000	19,608	20,392	51.0%
Other professional services	65,000	40,798	24,202	37.2%
Total operating expenses	<u>1,877,600</u>	<u>2,244,345</u>	<u>(366,745)</u>	<u>(19.5%)</u>
Operating income (loss)	<u>(380,100)</u>	<u>(565,626)</u>	<u>(185,526)</u>	<u>48.8%</u>
Income (loss) before contributions and transfers	<u>(380,100)</u>	<u>(565,626)</u>	<u>(185,346)</u>	48.8%
Transfers in		<u>375,000</u>	<u>375,000</u>	-
Change in net position	<u>\$ (380,100)</u>	<u>\$ (190,626)</u>	<u>\$ 189,654</u>	

Pharmacy Rebate by Fiscal Year

	HMO	PPO	EPO	Total By Year
2018	111,392	101,497	-	212,889
2019	264,706	240,185	-	504,891
2020	363,076	161,800	72,213	597,089
2021	300,178	99,161	52,092	451,431
2022	295,845	110,840	82,668	489,353
Total By Plan	1,335,197.40	713,481.92	206,973.22	2,255,652.54

Employee Health Care Activity

Claims History By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2020	2,926,865	2,089,090	1,538,628	4,616,374	11,170,957
2021	3,935,628	2,513,712	2,122,665	2,695,665	11,267,670
2022	2,069,953	4,545,565	3,451,990	2,733,925	12,801,433

Net Income (loss) By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2020	(115,223)	990,840	(493,804)	(226,908)	154,905
2021	25,559	545,521	(88,325)	(266,950)	215,805
2022	1,088,596	(1,230,194)	140,154	(1,446)	(2,890)

Stop Loss Credits

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2020	-	-	-	-	-
2021	-	-	436,425	148,555	584,981
2022	4,147.50	557	-	154,266.36	158,971

FY2022 IBNR Medical, Dental and Vision Activity

	Medical	Dental	Vision	Total
July	228,110.18	36,523.14	13,510.00	278,143.32
August	224,330.95	9,280.44	407.00	234,018.39
September	69,124.94	6,961.32	242.00	76,328.26
October	28,095.65	1,169.00	-	29,264.65
November	8,222.96	570.90	-	8,793.86
December	4,288.65	1,809.00	-	6,097.65
January	4,387.22	170.00	-	4,557.22
February	(7,632.46)	958.00	-	(6,674.46)
March	2,851.30	784.50	-	3,635.80
April	909.18	68.97	-	978.15
May	1,383.20	102.00	-	1,485.20
June	5,113.00	-	-	5,113.00
Total FY 2021 Claims Run out	569,184.77	58,397.27	14,159.00	641,741.04
IBNR Valuation as of June 30 2021	797,500.00	66,000.00	683.00	
	(228,315.23)	(7,602.73)	13,476.00	
FY2022 IBNR		905,413.00		
Total Run Out Claims FY2021		<u>(641,741.04)</u>		
Medical Claim Adjustment - Revenue to Fund		<u>263,671.96</u>		

City of Surprise, Arizona
Employee Healthcare Self Insurance Fund and Workers' Compensation Fund
September 30, 2022

	Employee Healthcare Trust Fund	Worker's Compensation Trust Fund
ASSETS		
Current assets:		
Cash and investments	\$ 7,150,742	\$ 3,649,456
Other Receivables	-	-
Prepaid services	1,071	-
Total current assets	<u>7,151,813</u>	<u>3,649,456</u>
Noncurrent assets:		
Net OPEB asset	3,180	2,770
Total noncurrent assets	<u>3,180</u>	<u>2,770</u>
Total assets	<u>7,154,993</u>	<u>3,652,225</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - pension related	21,791	18,979
Deferred outflows of resources - OPEB related	565	492
Total deferred outflows of resources	<u>22,356</u>	<u>19,471</u>
Total assets and deferred outflows of resources	<u>7,177,349</u>	<u>3,671,697</u>

LIABILITIES

Current liabilities:		
Accounts payable	127,686	25,206
Accrued payroll and benefits	1,902	1,910
Compensated absences payable, due in less than one year	6,168	2,948
Claims payable	-	-
Claims - incurred but not reported (IBNR)	905,413	824,950
Total current liabilities	<u>1,041,169</u>	<u>855,014</u>
Noncurrent liabilities:		
Compensated absences payable, greater than one year	9,648	4,611
Net pension liability	83,985	73,146
Net OPEB liability	133	116
Total noncurrent liabilities	<u>93,766</u>	<u>77,873</u>
Total liabilities	<u>1,134,935</u>	<u>932,886</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - pension related	27,211	23,941
Deferred inflow of resources - OPEB related	2,691	2,102
Total deferred inflows of resources	<u>29,902</u>	<u>26,043</u>
Total liabilities and deferred inflows of resources	<u>1,164,837</u>	<u>958,930</u>

NET POSITION

Restricted for:		
Committed - Industrial Commission Reserve	1,500,000	1,500,000
Committed - Adverse Claims Contingency Reserve	-	-
Unrestricted	4,512,512	1,212,767
Total net position	<u>\$ 6,012,512</u>	<u>\$ 2,712,767</u>

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 September 30, 2022

	FY2022 First Quarter Budget	FY 2022 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	\$ 721,400	652,244	(69,156.00)	90.4%
Dental	67,225	63,840	(3,385.00)	95.0%
Vision	7,900	7520	(380.00)	95.2%
City Contributions			-	-
Medical	3,122,800.00	2,875,726	(247,074.00)	92.1%
Dental	175,850	168,183	(7,667.00)	95.6%
Vision	22,900	21,855	(1,045.00)	95.4%
Cobra contributions	42,800	100,562	57,762.00	235.0%
Subrogation recovery	-	33,656	33,656.00	-
Wellness reimbursement	20,850	-	(20,850.00)	0.0%
Pharmacy rebate	148,850	67,953	(80,897.00)	45.7%
Miscellaneous Revenue	-	38	38.00	-
Interest revenue	19,075	-	(19,075.00)	0.0%
Total operating revenues	<u>4,349,650</u>	<u>3,991,577</u>	<u>(358,073)</u>	<u>91.8%</u>
OPERATING EXPENSES				
Personnel (Wages/Benefits)	29,375	34,821	(5,446)	118.5%
Wellness			-	-
Work/life balance	20,850	4,871	15,979	23.4%
Physical & nutritional well being	-	-	-	-
Preventative Well-Being	-	-	-	-
Books & subscriptions	75	-	75	0.0%
Special event hosting	150	-	150	0.0%
Administration			-	-
Medical	139,425	221,535	(82,110)	158.9%
Medical stop loss	245,725	402,660	(156,935)	163.9%
Dental	9,300	9,191	109	98.8%
Vision	2,425	4,011	(1,586)	165.4%
Claims			-	-
Medical	2,787,875	3,043,691	(255,816)	109.2%
Pharmacy	812,250	848,975	(36,725)	104.5%
Dental	236,750	235,754	996	99.6%
Vision	28,275	27,711	565	98.0%
Professional outside services	30,700	45,698	(14,998)	148.9%
Travel & training	1,000	-	1,000	0.0%
Dues & membership	100	-	100	0.0%
Limited purpose flex spending	3,025	5,235	(2,210)	173.1%
Total operating expenses	<u>4,347,300</u>	<u>4,884,153</u>	<u>(536,853)</u>	<u>112.3%</u>
Operating income (loss)	<u>2,350</u>	<u>(892,576)</u>	<u>(894,926)</u>	

**NONOPERATING REVENUES
(EXPENSES)**

Total nonoperating revenues (expenses)	-	-	
Income (loss) before contributions and transfers	2,350	(892,576)	(894,926)
Change in net position	\$ 2,350	\$ (892,576)	\$ (894,926)

City of Surprise, Arizona - Workers' Compensation
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual
For the quarter ended September 30, 2022

	<u>FY2022 First Quarter Budget</u>	<u>FY 2022 Actual</u>	<u>Variance favorable (unfavorable)</u>	<u>% Variance</u>
OPERATING REVENUES				
City Contributions				
Worker's comp	\$ 594,075	\$ 624,134	\$ 30,059	5.06%
Subrogation recovery	-	-	-	-
Recovery of PY	-	-	-	-
Interest revenue	-	-	-	-
Total operating revenues	<u>594,075</u>	<u>624,134</u>	<u>30,059</u>	<u>0.00%</u>
OPERATING EXPENSES				
Personnel (Wages/Benefits)	25,950	30,951	(5,001)	-19.27%
Administration	106,250	332,909	(226,659)	-213.33%
Claims				-
Claim Settlement	313,750	168,250	145,500	46.37%
Municipal Firefighters Cancer	125,000	383,929	(258,929)	-207.14%
Software license	11,250	-	11,250	100.00%
Taxes Chages Service Fees	10,000	4,796	5,204	52.04%
Other professional services	21,250	36,890	(15,640)	-73.60%
Total operating expenses	<u>613,450</u>	<u>957,725</u>	<u>(344,275)</u>	<u>0.00%</u>
Operating income (loss)	<u>(19,375)</u>	<u>(333,591)</u>	<u>(314,216)</u>	
Income (loss) before contributions and transfers	<u>(19,375)</u>	<u>(333,591)</u>	<u>(314,216)</u>	
Transfers in	-	-	-	
Change in net position	<u>\$ (19,375)</u>	<u>\$ (333,591)</u>	<u>\$ (314,216)</u>	

Employee Health Care Activity

Claims History By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2021	3,935,628	2,513,712	2,122,665	2,695,665	11,267,670
2022	2,069,953	4,545,565	3,451,990	2,733,925	12,801,433
2023	4,156,131				4,156,131

Net Income (loss) By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2021	25,559	545,521	(88,325)	(266,950)	215,805
2022	1,088,596	(1,230,194)	140,154	(154)	(1,598)
2023	(892,576)				(892,576)

Stop Loss Credits

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2021	-	-	436,425	148,555	584,981
2022	4,147.50	557	-	154,266.36	158,971
2023	127,225				127,225

Pharmacy Rebate by Fiscal Year

	HMO 90216211	PPO 90216214	EPO 90216215	Total By Year
2018	111,392	101,497	-	212,889
2019	264,706	240,185	-	504,891
2020	363,076	161,800	72,213	597,089
2021	300,178	99,161	52,092	451,431
2022	295,845	110,840	82,668	489,353
2023	26,826	18,511	22,616	67,953
Total By Plan	1,362,023.25	731,992.77	229,589.05	2,323,605.07

FY2023 IBNR Medical, Dental and Vision Activity

	Medical	Dental	Vision	Total
July	482,545.23	21,570.60	2,065.50	506,181.33
August	155,095.78	4,699.10	151.00	159,945.88
September	32,793.43	337.00	117.00	33,247.43
October				-
November				-
December				-
January				-
February				-
March				-
April				-
May				-
June				-
Total FY 2022 Claims Run out	670,434.44	26,606.70	2,333.50	699,374.64

IBNR Valuation as of June 30 2022	852,500.00	49,500.00	3,413.00	
	(182,065.56)	(22,893.30)	(1,079.50)	

FY2022 IBNR	905,413.00
Total Run Out Claims FY2022	(699,374.64)
Medical Claim Adjustment - Revenue to Fund	<u>206,038.36</u>



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: November 30, 2022

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations:

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 for 2023.

Motion:

I move to approve the Health Benefits Trust Fund Board Annual Calendar for 2023.

(Or, if amended) - I move to approve the Health Benefits Trust Fund Board Annual Calendar for 2023, as amended.

Background:

Per requirements according to Boards and Commissions handbook, Boards that meet regularly must adopt an annual meeting schedule.

Objective Analysis:

Policy Compliant:

Financial Impact:

No financial impact.

Budget Impact:

No budget impact.

FTE Impact:

ATTACHMENTS:

1. HBTF PROPOSED CALENDAR - 2023 schedule
-

CITY OF SURPRISE

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

**2023 Meeting Calendar
Proposed**

Health Benefits Trust Fund Board Meetings

Annual Calendar

Regular Quarterly Meetings

Location

City of Surprise – Council Overflow Room

Regular Meetings

March 1, 2023*

3:00 pm

May 24, 2023

4:00 pm

August 23, 2023

4:00 pm

December 6, 2023

4:00 pm

*** Earlier March 1, 2023 Meeting Includes:**

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