



**CITY OF SURPRISE**  
**Health Benefits Trust Fund Board Meeting**  
**16000 N. Civic Center Plaza**  
**Surprise, AZ 85374**  
 Wednesday, March 6, 2024 @ 3:30 PM  
**COUNCIL 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 December 6, 2023 Health Benefitst Trust Fund Board meeting minutes. | Lloyd Abrams<br>Finance |
|----|----------|--|-------------------------|

**REGULAR AGENDA ITEM - NON-PUBLIC HEARING:**

- |    |          |  |                         |
|----|----------|--|-------------------------|
| 2. | Citywide | Presentation and discussion pertaining to CBIZ Consulting FY2024 2nd Quarter Report  | Donna Meuse<br>Finance  |
| 3. | Citywide | Presentation and discussion pertaining to the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund Financial Report for FY2024 2nd Quarter. | Andrea Davis<br>Finance |
| 4. | Citywide | Consider and action pertaining to the approval of the recommended FY2025 Health Benefit Trust Fund Budget.   | Andrea Davis<br>Finance |
| 5. | Citywide | Consideration and action pertaining to the approval of the FY2025 Workers' Compensation Plan Budget.   | Digger Oster<br>Finance |

- G. Other Business and Future Agenda Items
- H. Adjournment

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KRISTI PASSARELLI, CITY CLERK

**POSTED: Monday, March 4, 2024 @ 8:45 AM**

**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**

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Council Meeting Date: March 6, 2024  
Submitting Department: Finance  
Staff Recommendations:

Contact Person: Lloyd Abrams  
District: Citywide

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

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**Agenda Wording:**

Consideration and action pertaining to approval of the December 6, 2023 Health Benefits Trust Fund Board meeting minutes.

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**Motion:**

I move to approve the December 6, 2023 Health Benefits Trust Fund Board meeting minutes.

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**Background:**

Attached are the minutes from the December 6, 2023 meeting.

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**Objective Analysis:**

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**Policy Compliant:**

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**Financial Impact:**

No financial impact.

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**Budget Impact:**

No budget impact.

**FTE Impact:**

No FTE impact.

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**ATTACHMENTS:**

1. HBTF MINUTES 12.06.23 DRAFT
-

**CITY OF SURPRISE**

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

**December 6, 2023**

**MEETING MINUTES**

**CALL TO ORDER**

Chairperson Renee Pastor called the Health Benefits Trust Fund Meeting to order at 4:08 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, December 6, 2023.

**ROLL CALL**

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

**STAFF PRESENT:**

Paige Gearheart, Human Resources Manager; Digger Oster, Risk Manager – Senior; Justin Jackson, Human Resources Specialist; Jenna Garcia, Financial Analyst – Senior; Erick Martin, Assistant Director – Finance; Julie Ralls, Accountant – Senior; 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 pertaining to the approval of the August 23, 2023 Health Benefits Trust Fund Board Meeting Minutes.**

- Board Member Minick made a motion to approve the minutes for the August 23, 2023 meeting. Board Member Andrea Davis seconded the motion. Motion passed.

## **REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING**

### **Item 2: Presentation and discussion pertaining to CBIZ Consulting FY2024 1<sup>st</sup> Quarter Report.**

- Mike Barberio and Mike Zucarelli presented CBIZ Consulting's FY2024 1<sup>st</sup> Quarter Report, as well the city's pharmacy spend and rebate summary.

### **Item 3: Presentation and discussion of the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2023 4<sup>th</sup> Quarter and FY2024 1<sup>st</sup> Quarter.**

- Erick Martin, Assistant Director of Finance, presented the FY2023 4<sup>th</sup> Quarter and FY2024 1st Quarter Financial Reports.

### **Item 4: Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar for 2024.**

- Discussion was had regarding the dates and times for the scheduled meetings. The proposed calendar was amended to reflect the following dates and times:
  - March 6, 2024 3:30 (changed from 3:00 pm)
  - June 5, 2024 4:00 (changed from May 22, 2024)
  - August 28, 2024 (no changes from proposed)
  - December 4, 2024 (no changes from proposed)
- Board Member Davis made a motion to approve the meeting calendar for 2024, as amended. Vice Chair Coniam seconded the motion. Motion passed.

### **Item 5: Consideration and action to elect a Chairperson and Vice-Chairperson for the Health Benefits Trust Fund Board.**

- Vice Chair Coniam nominated Renee Pastor to continue as Chairperson of the Health Benefits Trust Fund Board. Board Member Minick seconded the nomination. Motion passed.
- Chairperson Pastor nominated William Coniam as Vice-Chair of the Health Benefits Trust Fund Board. Board Member Rachal seconded the nomination. Motion passed.

## **OTHER BUSINESS**

No other business will be added as the next meeting will include the FY2025 budget presentation.

## **EXECUTIVE SESSION**

No executive session was held.

## **ADJOURNMENT**

Board Member Minick made a motion to adjourn the meeting. Board Member Rachal seconded the motion. Motion passed. Hearing no further business, Chairperson Pastor adjourned the Health Benefits Trust Fund meeting at 5:09 p.m.

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Renee Pastor, Chair  
Health Benefits Trust Fund Board



**CITY OF SURPRISE**  
**Health Benefits Trust Fund Board Meeting**

Council Meeting Date: March 6, 2024

Contact Person: Donna Meuse, Human Resources Director

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

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Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

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**Agenda Wording:**

Presentation and discussion pertaining to CBIZ Consulting FY2024 2nd Quarter Report

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**Motion:**

None:Discussion Only

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**Background:**

CBIZ Consulting will present the 2nd Quarter self-funded medical, dental, and vision report for plan year FY2024 for the City. This report contains financial information and claims activity.

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**Objective Analysis:**

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**Policy Compliant:**

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**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.

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**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:**

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**ATTACHMENTS:**

1. City of Surprise Medical, Dental & Vision Experience 12 23 - Final V2
-



# *City of Surprise*

## **Medical, Pharmacy, Dental & Vision Experience**

**Plan Year: July 2023 – June 2024**

*Month End: December 2023*

**Presented by your CBIZ Team**

*Mike Barberio, Melissa Barbakoff, and Lindsey Steinhoff*





## Executive Summary

### Medical and Pharmacy

The report details claims paid during the initial two quarters of the new plan year commencing July 2023. The pharmacy claims are higher than they have been in years past. It is important to note that rebates for PY24 have not been factored in yet, which will decrease the City's liability. During the PY23 period, pharmacy claims totaled \$1,565,917 for the first two quarters. However, for the current plan year (PY24), they have risen to \$2,177,473. CBIZ estimates that the City of Surprise will receive approximately \$1,200,000 in rebates for PY24, marking an increase from the projected \$880,000 in rebates for PY23. Expected claims including lag through the second quarter have come in at 89.9% and 69.2% for maximum claims liability. Average covered lives have increased to 932 lives from 856 this time last year, an 8.9% increase.

Prior paid claims and administration section of the report shows that gross run out claims through December were \$987,436, after rebates and stop loss recoveries that amount drops to \$179,026. Pharmacy rebates for the prior plan year are now complete. For plan year 2023, rebates totaled \$1,080,711, which finished higher than the projected amount of \$880,000. With most of the run-out claims completed, the loss ratio stands almost exactly (100.3%) of expected for the PY23 plan year.

### Claims Spend & Loss Ratio by Plan Design:

- HMO -39% of total claims, 86.8% loss ratio
- PPO – 42% of total claims, 104.9% loss ratio
- EPO – 19% of total claims, 69% loss ratio

### Enrollment by Plan:

- **HMO – 2.7% decrease in enrollment in the HMO plan**
  - 2023 - 337
  - 2022 - 346
  - 2021 – 365
- **PPO – 12% increase in enrollment in the PPO plan**
  - 2023 - 336
  - 2022 - 300
  - 2021 - 276
- **EPO – 24.7% increase in enrollment in the EPO plan**
  - 2023 - 262
  - 2022 - 210
  - 2021 - 159

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 projecting total costs for PY24 to be 6.3% higher than PY23. Currently, medical claims which include a completion factor and escalator load are coming in 2% lower over the PY23 plan year and pharmacy claims are 20.8% higher than the PY23 plan year. Medical and pharmacy claims have been adjusted for the enrollment increase.

Cost Categories	2022/2023 with Runout	PEPM Costs	2023/2024 Estimated Annual	PEPM Costs	% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change	PEPM Total Cost History		Increase/Decrease
Medical Claims Costs*	\$11,703,958	\$1,116.36	\$12,236,594	\$1,093.72	4.56%	\$532,636	-2.0%	(\$22.64)	2014/2015	\$1,079.93	
Rx Claims Costs	\$3,377,201	\$322.13	\$4,354,947	\$389.25	28.95%	\$977,746	20.8%	\$67.12	2015/2016	\$1,160.82	7.5%
Rx Rebates	(\$1,080,711)	(\$103.08)	(\$1,320,000)	(\$117.96)	22.14%	(\$239,289)	14.5%	(\$14.90)	2016/2017	\$1,202.07	3.6%
Blue Card, Capitation Expenses, Misc and Value Based Services	\$135,501	\$12.92	\$151,860	\$13.57	12.07%	\$16,359	5.0%	\$0.65	2017/2018	\$1,151.77	-4.2%
Stop Loss Recoveries***	(\$753,598)	(\$71.88)	(\$149,866)	(\$13.40)	n/a	\$603,731	n/a	\$58.49	2018/2019	\$1,200.23	4.2%
Admin Fees	\$1,532,803	\$146.20	\$1,644,935	\$147.03	7.32%	\$112,132	0.6%	\$0.82	2019/2020	\$1,201.50	0.1%
<b>Total Costs</b>	<b>\$14,915,154</b>	<b>\$1,422.66</b>	<b>\$16,918,469</b>	<b>\$1,512.20</b>	<b>13.4%</b>	<b>\$2,003,315</b>	<b>6.3%</b>	<b>\$89.54</b>	2020/2021	\$1,178.50	-1.9%
									2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,422.66	10.3%
									<b>2023/2024</b>	<b>\$1,512.20</b>	<b>6.3%</b>

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	10,484	11,188	6.71%	704

There are eleven large claims that over the \$100,000 threshold. One claimant has hit the individual stop loss deductible. Claimant one has reached the stop loss deductible amount and \$149,866 has been reimbursed. There are five new large claimants that have emerged in the second quarter. Large claims over \$100,000 represent 21.8% of overall spend. For comparison purposes, last year through the second quarter large claims represented 16% of overall spend.

**Dental**

Dental claims are performing at a slightly higher rate to the PY23 plan year. Dental claims tend to be higher in the first and second quarter but then tend to normalize. The current loss ratio through December is 100.6%, for the same period last year it was 93%. Through December the dental paid claims per employee, per month (PEPM) is \$83.29, compared to last year at \$83.53.

**Vision**

Vision claims have followed similar utilization patterns from prior years. Vision claims through the second quarter are at 92.2%. Last year's claims through the second quarter had 90.4% loss ratio.



# City of Surprise

## Paid Claims and Administration

Plan Year: July 2023 to June 2024 (as of December 2023)

### 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-23	330	\$ 468,637	\$ 548,919	\$ 101,707	\$ 127,164	\$ -	\$ 228,871	\$ 48,635	\$ 277,506	48.8%	41.7%	\$308.20	\$385.35	\$693.55	\$840.93
Aug-23	331	\$ 467,884	\$ 548,289	\$ 396,339	\$ 115,821	\$ -	\$ 512,160	\$ 48,783	\$ 560,943	109.5%	93.4%	\$1,197.40	\$349.91	\$1,547.31	\$1,694.69
Sep-23	332	\$ 470,003	\$ 550,689	\$ 293,851	\$ 96,774	\$ -	\$ 390,625	\$ 48,930	\$ 439,555	83.1%	70.9%	\$885.09	\$291.49	\$1,176.58	\$1,323.96
Oct-23	335	\$ 476,207	\$ 557,731	\$ 749,731	\$ 97,435	\$ -	\$ 847,166	\$ 49,372	\$ 896,538	177.9%	151.9%	\$2,238.00	\$290.85	\$2,528.85	\$2,676.23
Nov-23	337	\$ 480,747	\$ 562,850	\$ 649,491	\$ 117,805	\$ (149,866)	\$ 617,430	\$ 49,667	\$ 667,097	128.4%	109.7%	\$1,927.27	\$349.57	\$2,276.84	\$1,979.52
Dec-23	336	\$ 478,779	\$ 560,610	\$ 284,182	\$ 102,129	\$ -	\$ 386,311	\$ 49,520	\$ 435,831	80.7%	68.9%	\$845.78	\$303.96	\$1,149.73	\$1,297.11
Jan-24															
Feb-24															
Mar-24															
Apr-24															
May-24															
Jun-24															
<b>Total</b>	<b>2,001</b>	<b>\$ 2,842,257</b>	<b>\$ 3,329,088</b>	<b>\$ 2,475,301</b>	<b>\$ 657,128</b>	<b>\$ (149,866)</b>	<b>\$ 2,982,563</b>	<b>\$ 294,907</b>	<b>\$ 3,277,470</b>	<b>104.9%</b>	<b>89.6%</b>	<b>\$1,237.03</b>	<b>\$328.40</b>	<b>\$1,565.43</b>	<b>\$1,637.92</b>
<b>Avg</b>	<b>334</b>														

Administrative Fees	PPO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	\$57.44	\$57.44	\$57.44
Specific Stoploss 12/24 \$250,000 ISL	\$84.84	\$84.84	\$84.84
Aggregate Stoploss (125%)	\$5.10	\$5.10	\$5.10
<b>Total Admin Fees</b>	<b>\$147.38</b>	<b>\$147.38</b>	<b>\$147.38</b>

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
<b>Expected Liability</b>	<b>\$607.20</b>	<b>\$1,362.86</b>	<b>\$1,967.40</b>
<b>Maximum Liability (ICAP)</b>	<b>\$805.70</b>	<b>\$1,602.99</b>	<b>\$2,240.82</b>

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	103	67	160	330
August	105	67	159	331
September	104	69	159	332
October	102	73	160	335
November	102	72	163	337
December	102	72	162	336
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>618</b>	<b>420</b>	<b>963</b>	<b>2,001</b>

**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2023 to June 2024 (as of December 2023)**  
**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-23	333	\$ 526,803	\$ 595,517	\$ 122,296	\$ 103,842	\$ -	\$ 226,138	\$ 48,894	\$ 275,032	42.9%	38.0%	\$367.26	\$311.84	\$679.09	\$825.92
Aug-23	336	\$ 529,641	\$ 598,920	\$ 339,657	\$ 209,070	\$ -	\$ 548,727	\$ 49,335	\$ 598,062	103.6%	91.6%	\$1,010.88	\$622.23	\$1,633.12	\$1,779.95
Sep-23	337	\$ 532,308	\$ 601,823	\$ 348,394	\$ 164,038	\$ -	\$ 512,432	\$ 49,482	\$ 561,913	96.3%	85.1%	\$1,033.81	\$486.76	\$1,520.57	\$1,667.40
Oct-23	337	\$ 532,308	\$ 601,823	\$ 360,698	\$ 162,419	\$ -	\$ 523,117	\$ 49,482	\$ 572,599	98.3%	86.9%	\$1,070.32	\$481.96	\$1,552.28	\$1,699.11
Nov-23	338	\$ 532,941	\$ 602,636	\$ 297,905	\$ 210,720	\$ -	\$ 508,625	\$ 49,629	\$ 558,254	95.4%	84.4%	\$881.38	\$623.43	\$1,504.81	\$1,651.64
Dec-23	339	\$ 533,731	\$ 603,609	\$ 299,351	\$ 147,470	\$ -	\$ 446,822	\$ 49,775	\$ 496,597	83.7%	74.0%	\$883.04	\$435.02	\$1,318.06	\$1,464.89
Jan-24															
Feb-24															
Mar-24															
Apr-24															
May-24															
Jun-24															
<b>Total</b>	<b>2,020</b>	<b>\$ 3,187,731</b>	<b>\$ 3,604,329</b>	<b>\$ 1,768,302</b>	<b>\$ 997,559</b>	<b>\$ -</b>	<b>\$ 2,765,861</b>	<b>\$ 296,597</b>	<b>\$ 3,062,457</b>	<b>86.8%</b>	<b>76.7%</b>	<b>\$875.40</b>	<b>\$493.84</b>	<b>\$1,369.24</b>	<b>\$1,516.07</b>
<b>Avg</b>	<b>337</b>														

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	\$57.44	\$57.44	\$57.44
Specific Stoploss 12/24 \$250,000 ISL	\$84.84	\$84.84	\$84.84
Aggregate Stoploss (125%)	\$4.55	\$4.55	\$4.55
<b>Total Admin Fees</b>	<b>\$146.83</b>	<b>\$146.83</b>	<b>\$146.83</b>

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
<b>Expected Liability</b>	<b>\$633.61</b>	<b>\$1,415.31</b>	<b>\$2,040.69</b>
<b>Maximum Liability (ICAP)</b>	<b>\$812.58</b>	<b>\$1,616.85</b>	<b>\$2,260.28</b>

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	77	71	185	333
August	78	74	184	336
September	78	73	186	337
October	78	73	186	337
November	79	73	186	338
December	79	75	185	339
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>469</b>	<b>439</b>	<b>1,112</b>	<b>2,020</b>

# City of Surprise

## Paid Claims and Administration

Plan Year: July 2023 to June 2024 (as of December 2023)

### 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-23	251	\$ 307,535	\$ 331,815	\$ 61,087	\$ 77,598	\$ -	\$ 138,684	\$ 36,854	\$ 175,539	45.1%	41.8%	\$243.37	\$309.15	\$552.53	\$699.36
Aug-23	253	\$ 313,744	\$ 338,059	\$ 144,397	\$ 67,610	\$ -	\$ 212,007	\$ 37,148	\$ 249,155	67.6%	62.7%	\$570.74	\$267.23	\$837.97	\$984.80
Sep-23	260	\$ 320,205	\$ 345,286	\$ 101,693	\$ 104,020	\$ -	\$ 205,713	\$ 38,176	\$ 243,889	64.2%	59.6%	\$391.13	\$400.08	\$791.20	\$938.03
Oct-23	260	\$ 319,498	\$ 344,609	\$ 113,934	\$ 74,747	\$ -	\$ 188,682	\$ 38,176	\$ 226,857	59.1%	54.8%	\$438.21	\$287.49	\$725.70	\$872.53
Nov-23	271	\$ 334,135	\$ 360,261	\$ 292,231	\$ 88,128	\$ -	\$ 380,359	\$ 39,791	\$ 420,150	113.8%	105.6%	\$1,078.34	\$325.20	\$1,403.54	\$1,550.37
Dec-23	278	\$ 340,171	\$ 367,082	\$ 99,500	\$ 110,683	\$ -	\$ 210,183	\$ 40,819	\$ 251,002	61.8%	57.3%	\$357.91	\$398.14	\$756.05	\$902.88
Jan-24															
Feb-24															
Mar-24															
Apr-24															
May-24															
Jun-24															
<b>Total</b>	<b>1,573</b>	<b>\$ 1,935,289</b>	<b>\$ 2,087,111</b>	<b>\$ 812,841</b>	<b>\$ 522,786</b>	<b>\$ -</b>	<b>\$ 1,335,627</b>	<b>\$ 230,964</b>	<b>\$ 1,566,591</b>	<b>69.0%</b>	<b>64.0%</b>	<b>\$516.75</b>	<b>\$332.35</b>	<b>\$849.10</b>	<b>\$995.93</b>
<b>Avg</b>	<b>262</b>														

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	\$57.44	\$57.44	\$57.44
Specific Stoploss 12/24 \$250,000 ISL	\$84.84	\$84.84	\$84.84
Aggregate Stoploss (125%)	\$4.55	\$4.55	\$4.55
<b>Total Admin Fees</b>	<b>\$146.83</b>	<b>\$146.83</b>	<b>\$146.83</b>

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
<b>Expected Liability</b>	<b>\$559.31</b>	<b>\$1,266.37</b>	<b>\$1,832.01</b>
<b>Maximum Liability (ICAP)</b>	<b>\$684.17</b>	<b>\$1,361.35</b>	<b>\$1,903.12</b>

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	97	51	103	251
August	95	51	107	253
September	100	51	109	260
October	101	50	109	260
November	104	53	114	271
December	108	56	114	278
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>605</b>	<b>312</b>	<b>656</b>	<b>1,573</b>

# City of Surprise

## Paid Claims and Administration

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

### 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	\$ 442,434	\$ 238,089	\$ -	\$ (736)	\$ 7,205	\$ 1,525	\$ -	\$ 688,518	\$ 122,080	\$ 810,597	64.4%	52.6%	\$539.44	\$285.14	\$824.57	\$824.57	\$970.78
Aug-22	840	\$ 1,076,111	\$ 1,317,343	\$ 891,987	\$ 327,946	\$ -	\$ 2,215	\$ 7,214	\$ 1,593	\$ -	\$ 1,230,954	\$ 122,811	\$ 1,353,765	114.4%	93.4%	\$1,075.01	\$390.41	\$1,465.42	\$1,465.42	\$1,611.63
Sep-22	854	\$ 1,088,911	\$ 1,333,157	\$ 790,408	\$ 243,833	\$ -	\$ 1,843	\$ 7,266	\$ 1,579	\$ (8,989)	\$ 1,035,940	\$ 124,858	\$ 1,160,797	95.1%	77.7%	\$938.05	\$285.52	\$1,223.57	\$1,213.04	\$1,359.25
Oct-22	859	\$ 1,090,382	\$ 1,334,846	\$ 892,054	\$ 247,293	\$ -	\$ 2,516	\$ 7,281	\$ 1,548	\$ (559)	\$ 1,150,133	\$ 125,585	\$ 1,275,718	105.5%	86.2%	\$1,051.69	\$287.88	\$1,339.57	\$1,338.92	\$1,485.12
Nov-22	870	\$ 1,105,225	\$ 1,353,271	\$ 816,196	\$ 311,403	\$ -	\$ 1,832	\$ 7,384	\$ 1,491	\$ (392)	\$ 1,137,914	\$ 127,197	\$ 1,265,111	103.0%	84.1%	\$950.46	\$357.93	\$1,308.40	\$1,307.95	\$1,454.15
Dec-22	875	\$ 1,104,156	\$ 1,352,836	\$ 845,213	\$ 197,352	\$ -	\$ 2,497	\$ 7,360	\$ 1,596	\$ (13,320)	\$ 1,040,699	\$ 127,929	\$ 1,168,628	94.3%	76.9%	\$979.05	\$225.55	\$1,204.59	\$1,189.37	\$1,335.58
Jan-23	871	\$ 1,099,735	\$ 1,347,346	\$ 958,944	\$ 253,384	\$ (242,805)	\$ 3,842	\$ 7,304	\$ 1,639	\$ (2,390)	\$ 979,918	\$ 127,345	\$ 1,107,263	89.1%	72.7%	\$1,115.65	\$290.91	\$1,127.79	\$1,125.05	\$1,271.25
Feb-23	872	\$ 1,097,952	\$ 1,345,188	\$ 769,767	\$ 277,603	\$ -	\$ 2,544	\$ 7,304	\$ 1,622	\$ (50,383)	\$ 1,008,458	\$ 127,490	\$ 1,135,948	91.8%	75.0%	\$895.92	\$318.35	\$1,214.27	\$1,156.49	\$1,302.69
Mar-23	887	\$ 1,111,117	\$ 1,362,245	\$ 1,185,912	\$ 222,255	\$ -	\$ 2,662	\$ 7,375	\$ 1,581	\$ (3,119)	\$ 1,416,665	\$ 129,686	\$ 1,546,351	127.5%	104.0%	\$1,350.09	\$250.57	\$1,600.66	\$1,597.14	\$1,743.35
Apr-23	901	\$ 1,116,831	\$ 1,370,466	\$ 716,960	\$ 296,745	\$ (232,766)	\$ 2,162	\$ 7,351	\$ 1,485	\$ (82,061)	\$ 709,876	\$ 131,732	\$ 841,608	63.6%	51.8%	\$807.94	\$329.35	\$878.95	\$787.88	\$934.08
May-23	908	\$ 1,129,019	\$ 1,384,403	\$ 1,467,887	\$ 401,680	\$ -	\$ 2,361	\$ 7,501	\$ 1,415	\$ (275,216)	\$ 1,605,628	\$ 132,754	\$ 1,738,381	142.2%	116.0%	\$1,629.03	\$442.38	\$2,071.41	\$1,768.31	\$1,914.52
Jun-23	912	\$ 1,135,232	\$ 1,391,906	\$ 822,878	\$ 342,889	\$ -	\$ 5,811	\$ 7,513	\$ 1,494	\$ (97,844)	\$ 1,082,741	\$ 133,339	\$ 1,216,079	95.4%	77.8%	\$918.53	\$375.97	\$1,294.50	\$1,187.22	\$1,333.42
<b>Total</b>	<b>10,484</b>	<b>\$ 13,223,211</b>	<b>\$ 16,201,691</b>	<b>\$ 10,600,641</b>	<b>\$ 3,360,471</b>	<b>\$ (475,571)</b>	<b>\$ 29,549</b>	<b>\$ 88,058</b>	<b>\$ 18,568</b>	<b>\$ (534,273)</b>	<b>\$ 13,087,444</b>	<b>\$ 1,532,803</b>	<b>\$ 14,620,247</b>	<b>99.0%</b>	<b>80.8%</b>	<b>\$1,024.11</b>	<b>\$320.53</b>	<b>\$1,299.29</b>	<b>\$1,248.33</b>	<b>\$1,394.53</b>
<b>Avg</b>	<b>874</b>																			

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-23	\$ 271,813	\$ 4,795	\$ (266,865)	\$ 1,242	\$ (44)	\$ (21,347)	\$ (10,405)
Aug-23	\$ 163,328	\$ 523	\$ -	\$ 60	\$ (50)	\$ (1,002)	\$ 162,860
Sep-23	\$ 307,172	\$ 7,367	\$ -	\$ 51	\$ (35)	\$ (196,977)	\$ 117,578
Oct-23	\$ 77,377	\$ 45	\$ (338,275)	\$ 23	\$ -	\$ -	\$ (260,831)
Nov-23	\$ 161,700	\$ -	\$ -	\$ (1,918)	\$ -	\$ -	\$ 159,782
Dec-23	\$ 6,045	\$ 3,999	\$ -	\$ (3)	\$ -	\$ -	\$ 10,042
Jan-24							\$ -
Feb-24							\$ -
Mar-24							\$ -
Apr-24							\$ -
May-24							\$ -
Jun-24							\$ -
<b>Total</b>	<b>\$ 987,436</b>	<b>\$ 16,729</b>	<b>\$ (605,140)</b>	<b>\$ (545)</b>	<b>\$ (129)</b>	<b>\$ (219,325)</b>	<b>\$ 179,026</b>

### 2022-2023 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
\$ 14,020,068	\$ (753,598)	\$ 13,266,470	\$ 1,532,803	\$ 14,799,273	100.3%	81.9%	\$ 1,411.61

# City of Surprise

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

## Annual Cost Comparison Analysis

Incurred and Paid - 2022/2023 vs. 2023/2024

Cost Categories	2022/2023 with Runout	PEPM Costs	2023/2024 Estimated Annual	PEPM Costs	% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change	PEPM Total Cost History		Increase/Decrease
									2014/2015	2015/2016	
Medical Claims Costs*	\$11,703,958	\$1,116.36	\$12,236,594	\$1,093.72	4.55%	\$532,636	-2.0%	(\$22.64)	2014/2015	\$1,079.93	
Rx Claims Costs	\$3,377,201	\$322.13	\$4,354,947	\$389.25	28.95%	\$977,746	20.8%	\$67.12	2015/2016	\$1,160.82	7.5%
Rx Rebates	(\$1,080,711)	(\$103.08)	(\$1,320,000)	(\$117.98)	22.14%	(\$239,289)	14.5%	(\$14.90)	2016/2017	\$1,202.07	3.6%
Blue Card, Captitation Expenses, Misc and Value Based Services	\$135,501	\$12.92	\$151,860	\$13.57	12.07%	\$16,359	5.0%	\$0.65	2017/2018	\$1,151.77	-4.2%
Stop Loss Recoveries***	(\$753,598)	(\$71.88)	(\$149,866)	(\$13.40)	n/a	\$603,731	n/a	\$58.49	2018/2019	\$1,200.23	4.2%
Admin Fees	\$1,532,803	\$146.20	\$1,644,935	\$147.03	7.32%	\$112,132	0.6%	\$0.82	2019/2020	\$1,201.50	0.1%
<b>Total Costs</b>	<b>\$14,915,154</b>	<b>\$1,422.66</b>	<b>\$16,918,469</b>	<b>\$1,512.20</b>	<b>13.4%</b>	<b>\$2,003,315</b>	<b>6.3%</b>	<b>\$89.54</b>	2020/2021	\$1,178.50	-1.9%
									2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,422.66	10.3%
									2023/2024	\$1,512.20	6.3%

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	10,484	11,188	6.71%	704

\*2023/2024 Medical Claims Costs includes an escalator load and 10% completion factor

\*\*\*Stop Loss Recoveries are not annualized

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

Cost Categories	2021/2022 with Runout	PEPM Costs	2022/2023 with Runout	PEPM Costs	% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change	PEPM Total Cost History		Increase/Decrease
									2014/2015	2015/2016	
Medical Claims Costs*	\$9,207,920	\$945.66	\$11,703,958	\$1,116.36	27.11%	\$2,496,038	18.1%	\$170.70	2014/2015	\$1,079.93	
Rx Claims Costs	\$2,740,965	\$281.50	\$3,377,201	\$322.13	23.21%	\$636,236	14.4%	\$40.63	2015/2016	\$1,160.82	7.5%
Rx Rebates	(\$697,652)	(\$71.65)	(\$1,080,711)	(\$103.08)	54.91%	(\$383,059)	43.9%	(\$31.43)	2016/2017	\$1,202.07	3.6%
Blue Card, Captitation Expenses, Misc and Value Based Services	\$120,601	\$12.39	\$135,501	\$12.92	12.35%	\$14,900	4.3%	\$0.54	2017/2018	\$1,151.77	-4.2%
Stop Loss Recoveries***	(\$154,266)	(\$15.84)	(\$753,598)	(\$71.88)	n/a	(\$599,331)	n/a	(\$56.04)	2018/2019	\$1,200.23	4.2%
Admin Fees	\$1,337,272	\$137.34	\$1,532,803	\$146.20	14.62%	\$195,531	6.5%	\$8.86	2019/2020	\$1,201.50	0.1%
<b>Total Costs</b>	<b>\$12,554,840</b>	<b>\$1,289.40</b>	<b>\$14,915,154</b>	<b>\$1,422.66</b>	<b>18.8%</b>	<b>\$2,360,314</b>	<b>10.3%</b>	<b>\$133.26</b>	2020/2021	\$1,178.50	-1.9%
									2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,422.66	10.3%
									2023/2024	\$1,512.20	6.3%

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	9,737	10,484	7.67%	747

\*2022/2023 Medical Claims Costs includes a 1% completion factor

**City of Surprise**  
**Blue Cross Blue Shield - Large Claims over \$100k**  
**Plan Year: July 2023 to June 2024 (as of December 2023)**

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	F005	Y	Active	PPO	\$399,866	\$0	\$399,866	\$399,866	\$0	100.0%	(\$149,866)	\$250,000
2	G001	N	Active	PPO	\$188,043	\$6	\$188,049	\$186,506	\$1,543	75.2%		\$188,049
3	G002	N	Active	EPO	\$126,074	\$0	\$126,074	\$125,948	\$126	50.4%		\$126,074
4	A007	Y	Active	HMO	\$1,235	\$117,935	\$119,170		\$119,170	47.7%		\$119,170
5	E004	Y	Active	PPO	\$2,499	\$109,268	\$111,767		\$111,767	44.7%		\$111,767
6	G004	N	Active	PPO	\$98,993	\$12,052	\$111,045	\$103,722	\$7,323	44.4%		\$111,045
7	C006	Y	Active	EPO	\$332	\$107,015	\$107,347		\$107,347	42.9%		\$107,347
8	F002	Y	Termed	HMO	\$104,900	\$40	\$104,940		\$104,940	42.0%		\$104,940
9	G003	N	Active	EPO	\$104,882	\$0	\$104,882	\$104,812	\$70	42.0%		\$104,882
10	G006	N	Active	PPO	\$98,148	\$3,345	\$101,493		\$101,493	40.6%		\$101,493
11	G005	N	Active	PPO	\$100,942	\$0	\$100,942	\$100,624	\$318	40.4%		\$100,942

<b>Total</b>	<b>\$1,225,913</b>	<b>\$349,662</b>	<b>\$1,575,575</b>	<b>\$1,021,478</b>	<b>\$554,097</b>
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<b>(\$149,866)</b>	<b>\$1,425,709</b>
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<b>Percentage of Large Claims vs. Medical &amp; Rx Claims</b>	<b>21.8%</b>
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# City of Surprise

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

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

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	F005	N	Active	PPO	\$591,391	\$0	\$591,391	\$591,391	\$0	100.0%	(\$341,391)	\$250,000
2	E002	Y	Active	PPO	\$441,529	\$0	\$441,529	\$441,529	\$0	100.0%	(\$191,529)	\$250,000
3	F001	N	Active	HMO	\$364,896	\$0	\$364,896	\$364,896	\$0	100.0%	(\$114,896)	\$250,000
4	C014	Y	Active	HMO	\$0	\$307,280	\$307,280	\$307,280	\$0	100.0%	(\$57,280)	\$250,000
5	E014	Y	Active	PPO	\$293,439	\$814	\$294,254	\$294,254	\$0	100.0%	(\$44,254)	\$250,000
6	E015	Y	Termed	HMO	\$254,249	\$0	\$254,249	\$254,249	\$0	100.0%	(\$4,249)	\$250,000
7	C013	Y	Active	PPO	\$238,587	\$214	\$238,801	\$240,416	-\$1,616	95.5%		\$238,801
8	F002	N	Termed	HMO	\$207,968	\$111	\$208,078	\$208,078	\$0	83.2%		\$208,078
9	C006	Y	Active	EPO	\$492	\$182,934	\$183,426	\$183,426	\$0	73.4%		\$183,426
10	E004	Y	Active	PPO	\$9,176	\$155,003	\$164,179	\$164,179	\$0	65.7%		\$164,179
11	F010	N	Active	PPO	\$163,779	\$0	\$163,779	\$163,779	\$0	65.5%		\$163,779
12	F003	N	Active	PPO	\$162,002	\$66	\$162,068	\$162,068	\$0	64.8%		\$162,068
13	F007	N	Active	PPO	\$158,089	\$0	\$158,089	\$158,089	\$0	63.2%		\$158,089
14	E017	Y	Termed	PPO	\$154,232	\$156	\$154,388	\$154,388	\$0	61.8%		\$154,388
15	F006	N	Active	HMO	\$141,376	\$8,336	\$149,712	\$149,712	\$0	59.9%		\$149,712
16	E022	Y	Active	PPO	\$139,288	\$0	\$139,288	\$138,691	\$597	55.7%		\$139,288
17	F009	N	Active	PPO	\$128,564	\$0	\$128,564	\$128,564	\$0	51.4%		\$128,564
18	F004	N	Active	HMO	\$7,729	\$103,387	\$111,117	\$111,117	\$0	44.4%		\$111,117
19	F008	N	Termed	PPO	\$106,445	\$55	\$106,500	\$106,500	\$0	42.6%		\$106,500

<b>Total</b>	<b>\$3,563,231</b>	<b>\$758,356</b>	<b>\$4,321,587</b>	<b>\$4,322,605</b>	<b>-\$1,018</b>
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<b>(\$753,598)</b>	<b>\$3,567,989</b>
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<b>Percentage of Large Claims vs. Medical &amp; Rx Claims</b>	<b>28.9%</b>
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## City of Surprise PBM Summary

January 1, 2023 – December 30, 2023

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

#### Prior Calendar Year – 2020

\$53.28 – Results thru March, 2020	(does not include 1 <sup>st</sup> Q rebate of \$131,400)
\$56.32 – Results thru June, 2020	(does not include 2 <sup>nd</sup> Q rebates of \$120,281)
\$87.82 – Results thru September, 2020	(does not include 3 <sup>rd</sup> Q rebates of \$132,089)
\$74.55 – Results thru December, 2020	(does not include 4 <sup>th</sup> Q rebates of \$125,975)

#### Prior Calendar Year – 2021

\$84.47 – Results thru March, 2021	(does not include 1 <sup>st</sup> Q rebate of \$168,260)
\$83.48 – Results thru June, 2021	(does not include 2 <sup>nd</sup> Q rebates of \$133,310)
\$86.83 – Results thru September, 2021	(does not include 3 <sup>rd</sup> Q rebates of \$149,160)
\$93.08 – Results thru December, 2021	(does not include 4 <sup>th</sup> Q rebates of \$152,930)

#### Prior Calendar Year – 2022

\$94.88 – Results thru March, 2022	(does not include 1 <sup>st</sup> Q rebate of \$187,775)
\$106.93 – Results thru June, 2022	(does not include 2 <sup>nd</sup> Q rebates of \$211,432)
\$109.29 – Results thru September, 2022	(does not include 3 <sup>rd</sup> Q rebates of \$242,805)
\$100.68 – Results thru December, 2022	(does not include 4 <sup>th</sup> Q rebates of \$236,690)

#### Current Calendar Year – 2023

\$100.35 – Results thru March, 2023	(does not include 1 <sup>st</sup> Q Rebate of \$266,865)
\$136.15 – Results thru June, 2023	(does not include 2 <sup>nd</sup> Q rebates of \$338,275)
\$138.85 – Results thru September, 2023	(does not include 3 <sup>rd</sup> Q rebates of \$329,160)
\$142.64 – Results thru December, 2023	(does not include estimated 4 <sup>th</sup> Q rebates of \$300,000)

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

Projected Rebates (CY 24 - 12 months) - \$1,200,000

Projected Rebates Per Quarter (Per CBIZ Funding Projection) average between \$300,000 and \$350,000

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



# Dental Reports



**City of Surprise**  
**Delta Dental Self Funded Paid Claims**  
 Plan Year: July 2023 to June 2024 (as of December 2023)

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-23	947	\$84,794	\$3,362	\$99,836	\$103,198	117.7%	\$105.42	\$108.97
Aug-23	951	\$85,153	\$3,376	\$111,176	\$114,552	130.6%	\$116.90	\$120.45
Sep-23	965	\$86,406	\$3,426	\$80,602	\$84,028	93.3%	\$83.53	\$87.08
Oct-23	968	\$86,675	\$3,436	\$87,147	\$90,583	100.5%	\$90.03	\$93.58
Nov-23	979	\$87,660	\$3,475	\$69,626	\$73,101	79.4%	\$71.12	\$74.67
Dec-23	983	\$88,018	\$3,490	\$73,524	\$77,013	83.5%	\$74.80	\$78.35
Jan-24								
Feb-24								
Mar-24								
Apr-24								
May-24								
Jun-24								
<b>Total</b>	<b>5,793</b>	<b>\$518,705</b>	<b>\$20,565</b>	<b>\$521,910</b>	<b>\$542,475</b>	<b>100.6%</b>	<b>\$90.09</b>	<b>\$93.64</b>
Avg PEPM Enrollment	<b>966</b>							

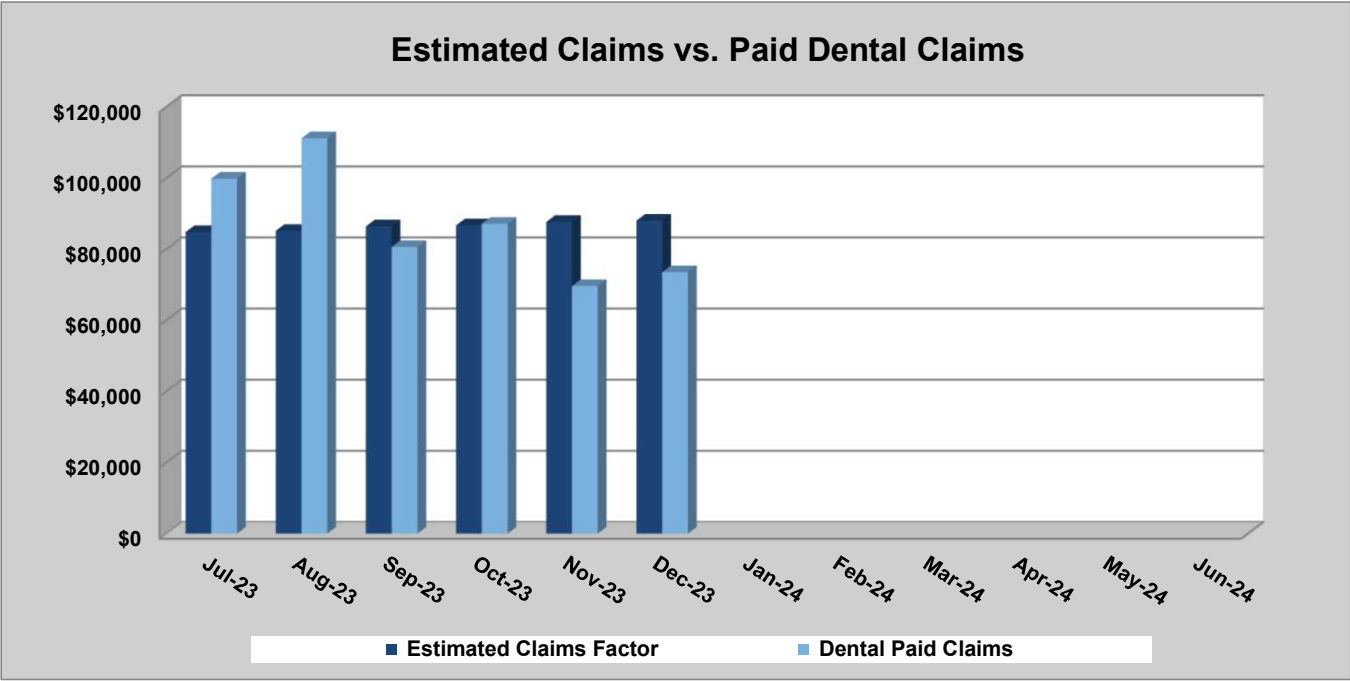
Admin Fees		Employee
Administration		\$3.55

Claim Expenses	
Estimated Claim Factor	\$89.54

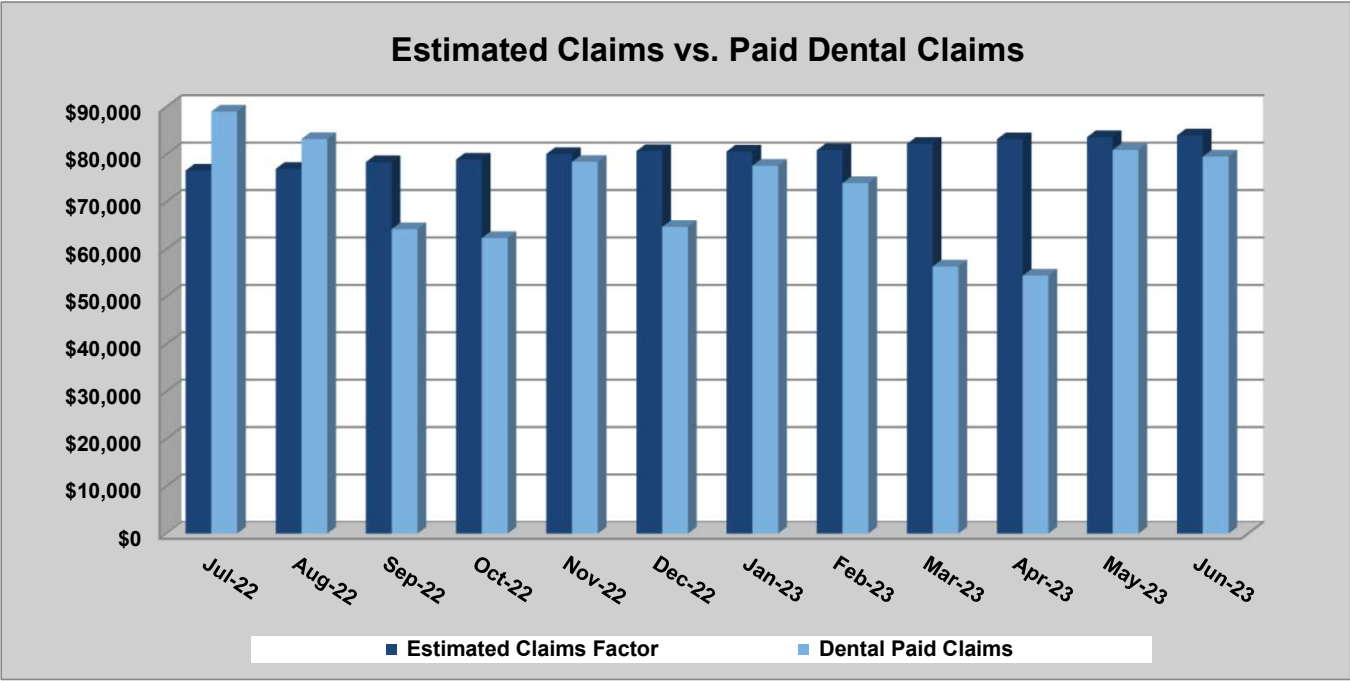
Premium Equivalent Rates		
EE	EE + 1	Family
\$39.40	\$79.28	\$129.84



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

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	\$76,582	\$3,042	\$89,024	\$92,066	116.2%	\$103.88	\$107.43
Aug-22	861	\$76,939	\$3,057	\$83,235	\$86,291	108.2%	\$96.67	\$100.22
Sep-22	877	\$78,369	\$3,113	\$64,218	\$67,332	81.9%	\$73.22	\$76.77
Oct-22	883	\$78,905	\$3,135	\$62,335	\$65,470	79.0%	\$70.59	\$74.14
Nov-22	896	\$80,067	\$3,181	\$78,415	\$81,595	97.9%	\$87.52	\$91.07
Dec-22	903	\$80,692	\$3,206	\$64,689	\$67,895	80.2%	\$71.64	\$75.19
Jan-23	902	\$80,603	\$3,202	\$77,596	\$80,798	96.3%	\$86.03	\$89.58
Feb-23	905	\$80,871	\$3,213	\$73,928	\$77,140	91.4%	\$81.69	\$85.24
Mar-23	920	\$82,211	\$3,266	\$56,353	\$59,619	68.5%	\$61.25	\$64.80
Apr-23	931	\$83,194	\$3,305	\$54,421	\$57,726	65.4%	\$58.45	\$62.00
May-23	936	\$83,641	\$3,326	\$80,923	\$84,250	96.8%	\$86.46	\$90.01
Jun-23	940	\$83,998	\$3,344	\$79,525	\$82,869	94.7%	\$84.60	\$88.16
<b>Total</b>	<b>10,811</b>	<b>\$966,071</b>	<b>\$38,390</b>	<b>\$864,661</b>	<b>\$903,051</b>	<b>89.5%</b>	<b>\$79.98</b>	<b>\$83.53</b>
Avg PEPM Enrollment	<b>901</b>							

Admin Fees		Employee
Administration		\$3.55
Claim Expenses		
Estimated Claim Factor		\$89.36
Premium Equivalent Rates		
EE	EE + 1	Family
\$37.80	\$75.10	\$121.94



# City of Surprise

## Delta Dental Dental Claims

Plan Year: July 2023 to June 2024 (as of December 2023)

### Annual Cost Comparison Analysis 2022/2023 vs. 2023/2024

Cost Categories	2022/2023 Estimated Annual Costs	PEPM Costs	2023/2024 Estimated Annual Costs	PEPM Costs
Dental Claims*	\$864,661	\$79.98	\$923,820	\$79.74
Admin Fees	\$38,390	\$3.55	\$41,130	\$3.55
<b>Total Costs</b>	<b>\$903,051</b>	<b>\$83.53</b>	<b>\$964,950</b>	<b>\$83.29</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
6.8%	\$59,158	-0.3%	(\$0.24)
7.1%	\$2,741	0.0%	(\$0.00)
<b>6.9%</b>	<b>\$61,899</b>	<b>-0.3%</b>	<b>(\$0.24)</b>

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	\$83.53	-0.7%
2023/2024	\$83.29	-0.3%

	Annual
Enrollment	10,811

Annualized
11,586

% Enrollment Change	# Enrollment Change
7.2%	775

### 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	\$864,661	\$79.98
Admin Fees	\$35,585	\$3.55	\$38,390	\$3.55
<b>Total Costs</b>	<b>\$843,584</b>	<b>\$84.16</b>	<b>\$903,051</b>	<b>\$83.53</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
7.0%	\$56,662	-0.8%	(\$0.63)
7.9%	\$2,804	0.0%	\$0.00
<b>7.0%</b>	<b>\$59,467</b>	<b>-0.7%</b>	<b>(\$0.63)</b>

	Annual
Enrollment	10,024

Annualized
10,811

% Enrollment Change	# Enrollment Change
7.9%	787



# Vision Reports



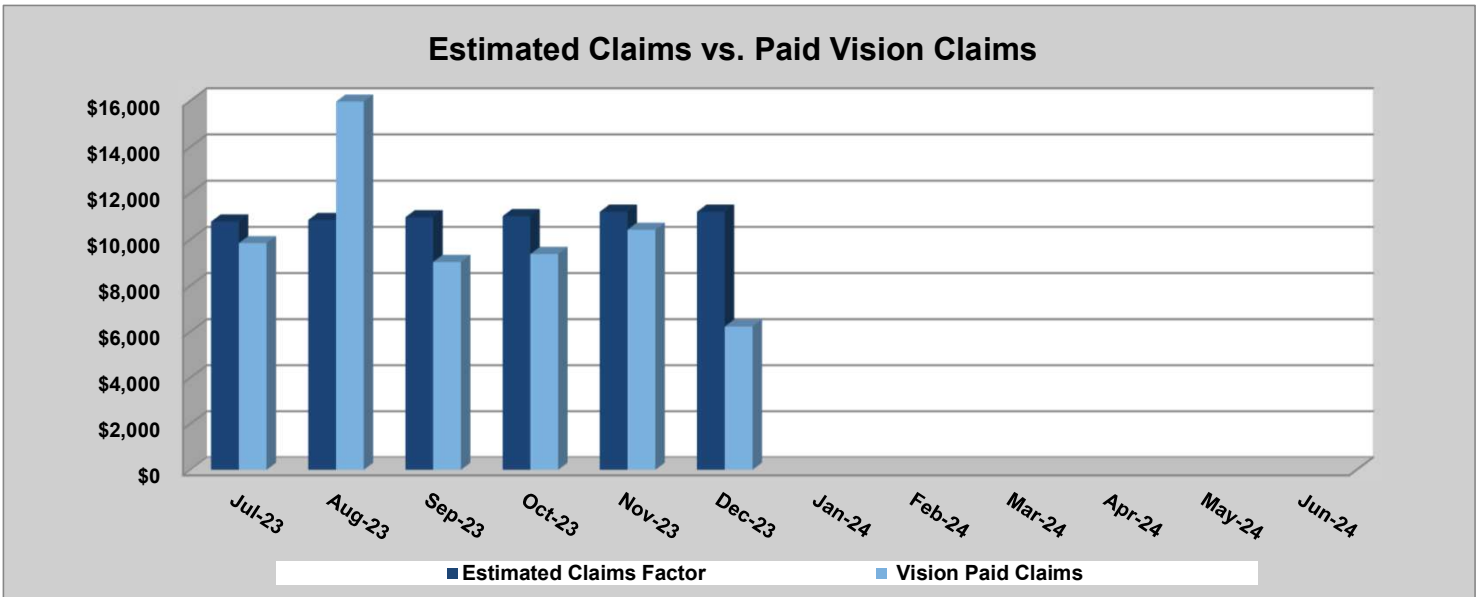
**City of Surprise**  
**Avesis Vision Self Funded Paid Claims**  
 Plan Year: July 2023 to June 2024 (as of December 2023)

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-23	909	\$10,772	\$864	\$9,840	\$10,704	91.4%	\$10.83	\$11.78
Aug-23	915	\$10,843	\$869	\$15,964	\$16,833	147.2%	\$17.45	\$18.40
Sep-23	925	\$10,961	\$879	\$9,026	\$9,905	82.3%	\$9.76	\$10.71
Oct-23	929	\$11,009	\$883	\$9,368	\$10,251	85.1%	\$10.08	\$11.03
Nov-23	945	\$11,198	\$898	\$10,418	\$11,315	93.0%	\$11.02	\$11.97
Dec-23	945	\$11,198	\$898	\$6,222	\$7,120	55.6%	\$6.58	\$7.53
Jan-24								
Feb-24								
Mar-24								
Apr-24								
May-24								
Jun-24								
<b>Total</b>	<b>5,568</b>	<b>\$65,981</b>	<b>\$5,290</b>	<b>\$60,837</b>	<b>\$66,127</b>	<b>92.2%</b>	<b>\$10.93</b>	<b>\$11.88</b>
Avg Enrollment	928							

Admin Fees	Employee
Administration	\$0.95

Claim Expenses	
Estimated Claim Factor	\$11.85

Premium Equivalent Rates	
EE	Family
\$5.04	\$14.30



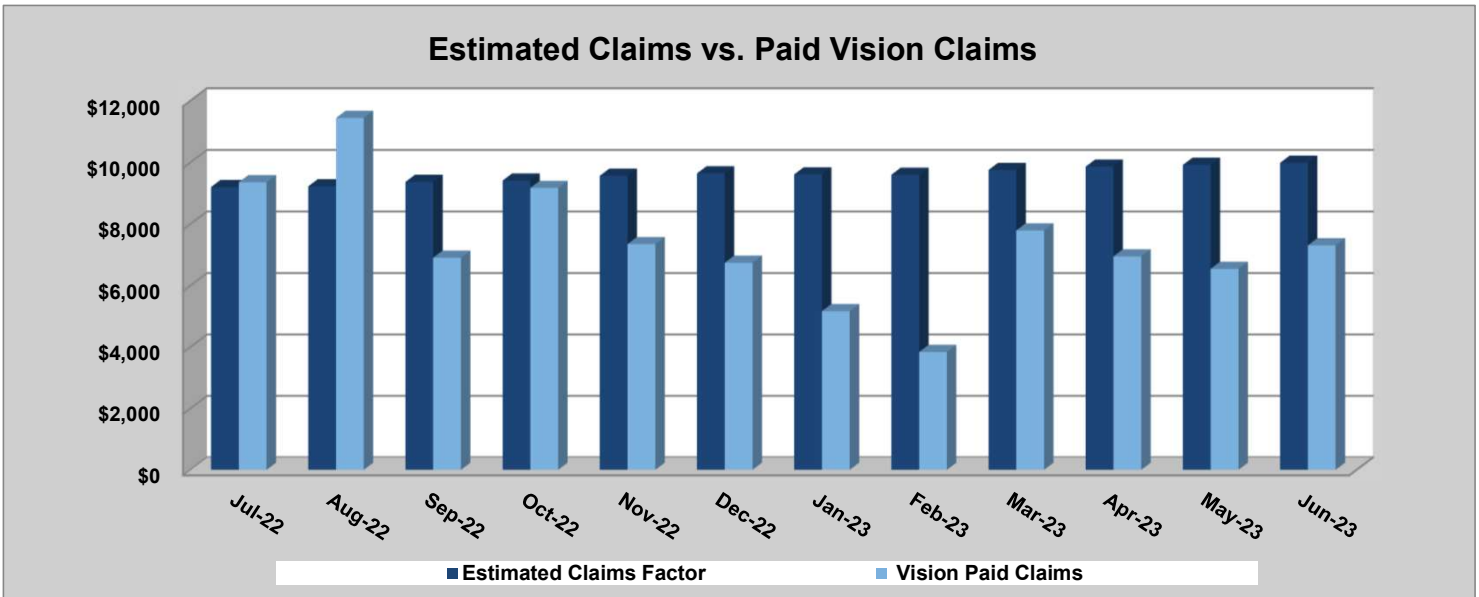
**City of Surprise**  
**Avesis Vision Self Funded Paid Claims**  
 Plan Year: July 2022 to June 2023 (as of June 2023)

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	851	\$9,412	\$808	\$9,174	\$9,982	97.5%	\$10.78	\$11.73
Nov-22	865	\$9,567	\$822	\$7,350	\$8,172	76.8%	\$8.50	\$9.45
Dec-22	872	\$9,644	\$828	\$6,744	\$7,572	69.9%	\$7.73	\$8.68
Jan-23	869	\$9,611	\$826	\$5,171	\$5,996	53.8%	\$5.95	\$6.90
Feb-23	868	\$9,600	\$825	\$3,841	\$4,665	40.0%	\$4.42	\$5.37
Mar-23	882	\$9,755	\$838	\$7,794	\$8,631	79.9%	\$8.84	\$9.79
Apr-23	892	\$9,866	\$847	\$6,951	\$7,798	70.5%	\$7.79	\$8.74
May-23	897	\$9,921	\$852	\$6,546	\$7,398	66.0%	\$7.30	\$8.25
Jun-23	903	\$9,987	\$858	\$7,308	\$8,166	73.2%	\$8.09	\$9.04
<b>Total</b>	<b>10,412</b>	<b>\$115,157</b>	<b>\$9,891</b>	<b>\$88,588</b>	<b>\$98,479</b>	<b>76.9%</b>	<b>\$8.51</b>	<b>\$9.46</b>
Avg Enrollment	868							

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 2023 to June 2024 (as of December 2023)

Annual Cost Comparison Analysis 2022/2023 vs. 2023/2024

Cost Categories	2022/2023 Costs	PEPM Costs	2023/2024 Estimated Annual Costs	PEPM Costs
Vision Claims	\$88,588	\$8.51	\$94,675	\$8.50
Admin Fees	\$9,891	\$0.95	\$10,579	\$0.95
<b>Total Costs</b>	<b>\$98,479</b>	<b>\$9.46</b>	<b>\$105,254</b>	<b>\$9.45</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
6.9%	\$6,087	-0.1%	(\$0.01)
7.0%	\$688	0.0%	\$0.00
<b>6.9%</b>	<b>\$6,775</b>	<b>-0.1%</b>	<b>(\$0.01)</b>

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	\$9.46	-18.1%
2023/2024	\$9.45	-0.1%

	Annualized
Enrollment	10,412

	Annualized
Enrollment	11,136

% Enrollment Change	# Enrollment Change
7.0%	724

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

Cost Categories	2021/2022 Costs	PEPM Costs	2022/2023 Costs	PEPM Costs
Vision Claims	\$103,227	\$10.59	\$88,588	\$8.51
Admin Fees	\$9,258	\$0.95	\$9,891	\$0.95
<b>Total Costs</b>	<b>\$112,484</b>	<b>\$11.54</b>	<b>\$98,479</b>	<b>\$9.46</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
-14.2%	(\$14,639)	-19.7%	(\$2.08)
6.8%	\$634	0.0%	\$0.00
<b>-12.5%</b>	<b>(\$14,005)</b>	<b>-18.1%</b>	<b>(\$2.08)</b>

	Annual
Enrollment	9,745

	Annualized
Enrollment	10,412

% Enrollment Change	# Enrollment Change
6.8%	667



**CITY OF SURPRISE**  
**Health Benefits Trust Fund Board Meeting**

Council Meeting Date: March 6, 2024

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

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Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

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**Agenda Wording:**

Presentation and discussion pertaining to the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund Financial Report for FY2024 2nd Quarter.

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**Motion:**

None; Presentation and discussion only.

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**Background:**

Staff will be presenting the city's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund financial report for FY2024 2nd Quarter. This report contains unaudited financial activity through December 31, 2023 for the Employee Healthcare Self Insurance Fund and the Workers' Compensation Fund.

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**Objective Analysis:**

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**Policy Compliant:**

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**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.

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**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:**

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**ATTACHMENTS:**

1. 2nd Quarter Self Insurance Fund
-

City of Surprise, Arizona  
Employee Healthcare Trust Fund and Workers' Compensation Fund  
December 31, 2023

	Employee Healthcare Trust Fund	Worker's Compensation Trust Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 7,284,446	\$ 4,406,684
Other Receivables	-	-
Prepaid services	420	-
Total current assets	<u>7,284,866</u>	<u>4,406,684</u>
Noncurrent assets:		
Net OPEB asset	3,853	3,356
Total noncurrent assets	<u>3,853</u>	<u>3,356</u>
Total assets	<u>7,288,719</u>	<u>4,410,040</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension related	20,557	17,904
Deferred outflows of resources - OPEB related	467	406
Total deferred outflows of resources	<u>21,024</u>	<u>18,310</u>
Total assets and deferred outflows of resources	<u>7,309,743</u>	<u>4,428,351</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	-	-
Accrued payroll and benefits	2,337	11,261
Compensated absences payable, due in less than one year	8,374	15,155
Claims payable	-	-
Claims - incurred but not reported (IBNR)	949,413	873,790
Total current liabilities	<u>960,124</u>	<u>900,206</u>
Noncurrent liabilities:		
Compensated absences payable, greater than one year	13,098	23,704
Net pension liability	110,316	96,079
Net OPEB liability	63	55
Total noncurrent liabilities	<u>123,477</u>	<u>119,838</u>
Total liabilities	<u>1,083,600</u>	<u>1,020,044</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension related	2,906	2,722
Deferred inflow of resources - OPEB related	2,466	1,957
Total deferred inflows of resources	<u>5,372</u>	<u>4,679</u>
Total liabilities and deferred inflows of resources	<u>1,088,972</u>	<u>1,024,723</u>
<b>NET POSITION</b>		
Restricted for:		
Committed - Industrial Commission Reserve	-	1,500,000
Committed - Adverse Claims Contingency Reserve	3,703,608	-
Unrestricted	2,517,163	1,903,628
Total net position	<u>\$ 6,220,771</u>	<u>\$ 3,403,628</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 December 31, 2023

	F2023 Second Quarter Budget	FY 2023 Actual	Variance favorable (unfavorable)	% Variance
<b>OPERATING REVENUES</b>				
Employee Contributions				
Medical	\$ 1,448,200	1,442,655	(5,545)	(0.4%)
Dental	156,700	155,874	(826)	(0.5%)
Vision	16,250	16,294	44	0.3%
City Contributions				
Medical	7,114,500.00	7,167,050	52,550	0.7%
Dental	369,500	371,043	1,543	0.4%
Vision	47,350	47,543	193	0.4%
Cobra contributions	121,700	170,006	48,306	39.7%
Subrogation recovery	20,000	-	(20,000)	(100.0%)
Wellness reimbursement	71,750	15,537	(56,213)	(78.3%)
Pharmacy rebate	494,950	121,932	(373,018)	(75.4%)
Miscellaneous Revenue	-	98	98	-
Prior Year Recovery	-	-	-	-
Interest revenue	12,500	55,993	43,493	347.9%
Total operating revenues	<u>9,873,400</u>	<u>9,564,025</u>	<u>(309,375)</u>	<u>(3.1%)</u>
<b>OPERATING EXPENSES</b>				
Personnel (Wages/Benefits)	64,200	92,224	(28,024)	(43.7%)
Wellness				
Work/life balance	65,537	11,079	54,458	83.1%
Books & subscriptions	137	-	137	100.0%
Special event hosting	274	-	274	100.0%
Administration				
Medical	192,272	434,136	(241,864)	(125.8%)
Medical stop loss	457,114	682,867	(225,753)	(49.4%)
Dental	90,884	20,548	70,336	77.4%
Vision	4,658	7,102	(2,444)	(52.5%)
Claims				
Medical	5,838,669	5,751,025	87,644	1.5%
Pharmacy	1,738,849	2,190,981	(452,131)	(26.0%)
Dental	452,912	516,940	(64,028)	(14.1%)
Vision	51,014	60,838	(9,824)	(19.3%)
Professional outside services	56,083	79,771	(23,688)	(42.2%)
Travel & training	1,827	460	1,367	74.8%
Dues & membership	183	-	183	100.0%
Limited purpose flex spending	5,526	9,644	(4,118)	(74.5%)
Federal medical insurance fees	3,334	-	(88,890)	(2,666.2%)
Total operating expenses	<u>9,023,472</u>	<u>9,857,615</u>	<u>(926,367)</u>	<u>0.0%</u>
Operating income (loss)	<u>849,928</u>	<u>(293,590)</u>	<u>(1,235,742)</u>	
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Total nonoperating revenues (expenses)		-		
Income (loss) before contributions and transfers	849,928	(293,590)	(1,235,742)	
Change in net position	<u>\$ 849,928</u>	<u>\$ (293,590)</u>	<u>\$ (1,235,742)</u>	

City of Surprise, Arizona - Workers' Compensation  
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual  
For the quarter ended December 31, 2023

	FY2023 Second Quarter Budget	FY 2023 Actual	Variance favorable (unfavorable)	% Variance
<b>OPERATING REVENUES</b>				
City Contributions				
Worker's comp	\$ 1,280,400	\$ 729,744	\$ (550,656)	-43.01%
Subrogation recovery	-	-	-	-
Claim Expense Reimbursement	-	90,948	90,948.00	-
Recovery of PY	-	650	650.00	-
Interest revenue	-	101,773	101,773.00	-
Total operating revenues	<u>1,280,400</u>	<u>923,115</u>	<u>(357,285)</u>	
<b>OPERATING EXPENSES</b>				
Personnel (Wages/Benefits)	170,000	197,181	(27,181)	-15.99%
Administration	780,202	238,922	541,280	69.38%
Claims				
Claim Settlement	317,242	346,780	(29,538)	-9.31%
Municipal Firefighters Cancer	300,078	392,113	(92,036)	-30.67%
Software license	27,007	42,979	(15,972)	-59.14%
Taxes Chages Service Fees	21,606	-	21,606	100.00%
Other professional services	51,013	10,263	40,751	79.88%
Total operating expenses	<u>1,667,147</u>	<u>1,228,238</u>	<u>438,908</u>	
Operating income (loss)	<u>(386,747)</u>	<u>(305,123)</u>	<u>81,623</u>	
Income (loss) before contributions and transfers	<u>(386,747)</u>	<u>(305,123)</u>	<u>386,747</u>	
Transfers in	-	-	-	
Change in net position	<u>\$ (386,747)</u>	<u>\$ (305,123)</u>	<u>\$ 386,747</u>	

## Employee Health Care Activity

### Claims Medical History By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2022	2,069,953	4,545,565	3,451,990	2,733,925	12,801,433
2023	4,156,131	3,117,159	3,650,996	3,848,228	14,772,514
2024	3,868,396	4,651,388			8,519,784

### Net Income (loss) By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2022	1,088,596	(1,230,194)	140,154	(154)	(1,598)
2023	(892,576)	28,909	1,060,353	(587,412)	(390,726)
2024	107,832	(401,422)			(293,590)

### Stop Loss Credits

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2022	4,147.50	557	-	154,266.36	158,971
2023	127,225	14,271	57,429	455,120	654,046
2024	219,325	149,866			369,191

## 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	553,282	274,223	225,233	1,052,739
2024	70,066	28,367	23,500	121,933
Total By Plan	1,958,545.65	1,016,072.24	455,706.22	3,430,324.11

## FY2024 IBNR Medical, Dental and Vision Activity

	Medical	Dental	Vision	Total
July	251,664.82	23,065.76	2,610.00	277,340.58
August	162,336.15	6,630.64	301.00	169,267.79
September	110,211.00	1,915.20	-	112,126.20
October	77,399.54	-	-	77,399.54
November	159,782.40	584.60	-	160,367.00
December	6,042.58	181.20	-	6,223.78
January				-
February				-
March				-
April				-
May				-
June				-

Total FY 2023 Claims Run out	<u>767,436.49</u>	<u>32,377.40</u>	<u>2,911.00</u>	<u>802,724.89</u>
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IBNR Valuation as of June 30 2024	902,000.00	44,000.00	3,413.00	
	(134,563.51)	(11,622.60)	(502.00)	

FY2023 IBNR	949,413.00
Total Run Out Claims FY2024	<u>(802,724.89)</u>
Medical Claim Adjustment - Revenue to Fund	<u>146,688.11</u>



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: March 6, 2024

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:

Consider and action pertaining to the approval of the recommended FY2025 Health Benefit Trust Fund Budget.

Motion:

I move to approve the recommended FY2025 Health Benefit Trust Fund Budget for both sources and uses.

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 FY2025 (beginning July 1, 2024). We will present the planned contribution strategy. We will also demonstrate the effect of the contribution 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:

This approves the budget which is estimated to adequately fund the Health Benefits Trust Fund.

Budget Impact:

Approving this item will set a budget for the Health Benefits Trust Fund. The sources total \$23.6 Million. This includes Employer Contributions for Medical of \$17.0 Million, Dental \$0.8 Million, and Vision of \$0.1 Million. Employee Contributions for Medical of \$3.3 Million, Dental \$0.4 Million, and

Vision \$46.2K. Rebates and COBRA Sources total \$1.7 Million, and Wellness reimbursements and Interest totaling \$0.3 Million.

The uses total \$23.6 Million. This includes estimated expenses for Medical in the amount of \$21.7 Million, Dental of \$1.2 Million, and Vision \$0.2 Million. There are also personnel, supplies, and service uses totaling \$0.5 Million.

**FTE Impact:**

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**ATTACHMENTS:**

1. FY25 Budget\_Health Benefits Budget Overview
-



**SURPRISE**  
ARIZONA

# Health Benefits Trust Fund

March 6, 2024

# SELF INSURED PROGRAM

Established by City Council May 2010

- How insurance program is funded
- Medical, dental, vision paid by employee and employer premiums

# SELF INSURED PROGRAM

## Health Benefits Trust

- Established by City Council August 2011
  - Board of Trustees
  - Accounts for activity of the self-insured program
  - Restricted for - medical, dental, vision, and wellness
  - Adverse claims reserve
    - 25% of expected claims

# Background

- Benefits Consultant
  - Provides actuarial assumptions – claim projections
  - Review claim activity in accordance with insurance plan
- Blue Cross Blue Shield – Insurance network and administers claims processing and payments
- City Staff
  - HR and Finance
  - Budget, accounting, establish rates, etc.
  - Level of benefits offered
- Trust Fund Board
  - Ensure Financial Stability

# Current Process

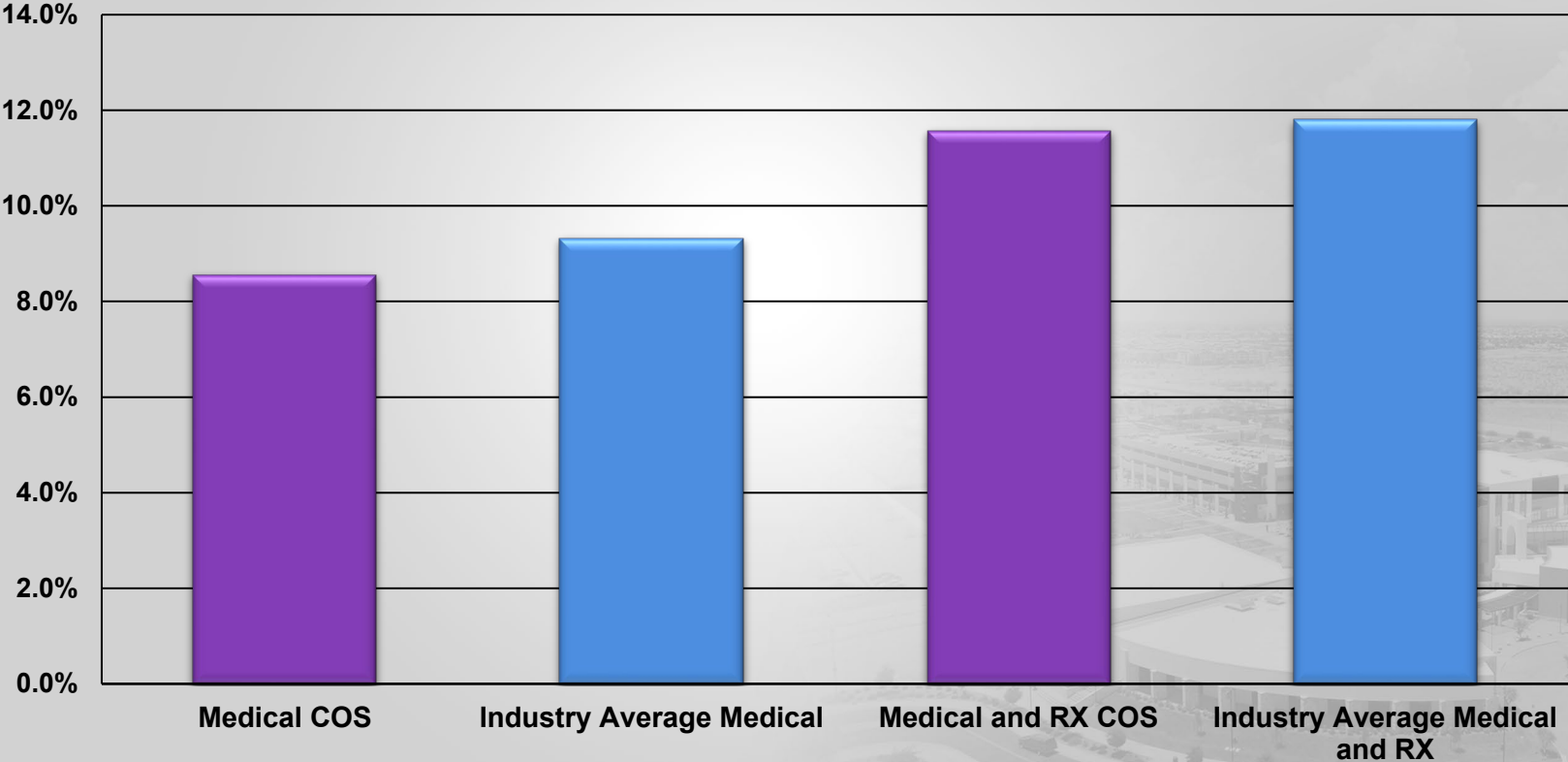
Budget “appropriated” amount - transfer only what is needed to pay claims incurred

- \$23.6M budget - \$22M transferred

Goal: Maintain fund balance  
“Break even” each year

100% of employee contributions will be transferred

# Historical Trend



# Budget Assumptions

- 6.71% Increase for Medical Expenses
  - CBIZ Recommendation
- 0% Increase for Dental Expenses
- 27.67% Increase for Vision Expenses
  - Increase in coverage due to plan design changes
- Other Revenue
  - Pharmacy Rebates
  - COBRA Reimbursements
  - Interest

# Financial Position of the Trust

	FY2021	FY2022	FY2023	FY2024*	FY2025
Beginning Balance	\$6.8M	\$7.1M	\$7.2M	\$6.8M	\$7.2M
Total Sources	13.0M	15.4M	17.2M	20.3M	23.6M
Total Uses	(12.7M)	(15.3M)	(17.6M)	(19.9M)	(23.6M)
<b>Ending Balance</b>	<b>\$7.1M</b>	<b>\$7.2M</b>	<b>\$6.8M</b>	<b>\$7.2M</b>	<b>\$7.2M</b>
<b>Required Reserve</b>	3.2M	3.3M	3.9M	4.4M	4.9M
<b>Unrestricted</b>	\$3.9M	\$3.9M	\$2.9M	\$2.8M	\$2.3M

**\*Estimate**



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**QUESTIONS OR  
COMMENTS?**

**Thank You**



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: March 6, 2024
Submitting Department: Finance
Staff Recommendations:

Contact Person: Digger Oster
District: Citywide

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

Agenda Wording:

Consideration and action pertaining to the approval of the FY2025 Workers' Compensation Plan Budget.

Motion:

I move to approve the recommended FY2025 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:

This approves the budget which is estimated to adequately fund the Workers Compensation Fund.

Budget Impact:

Approving this item will set a budget for the Workers Compensation Fund. The sources total \$1.3 million and is based on the number of employees hired, the employees' risk code, and the salary for the employees. The uses total is \$1.3, to include funding for claims, taxes, software, professional services, general insurance administration, and personnel.

FTE Impact:

ATTACHMENTS:

- 1. March 2024 WC Budget Final





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**FY2025**

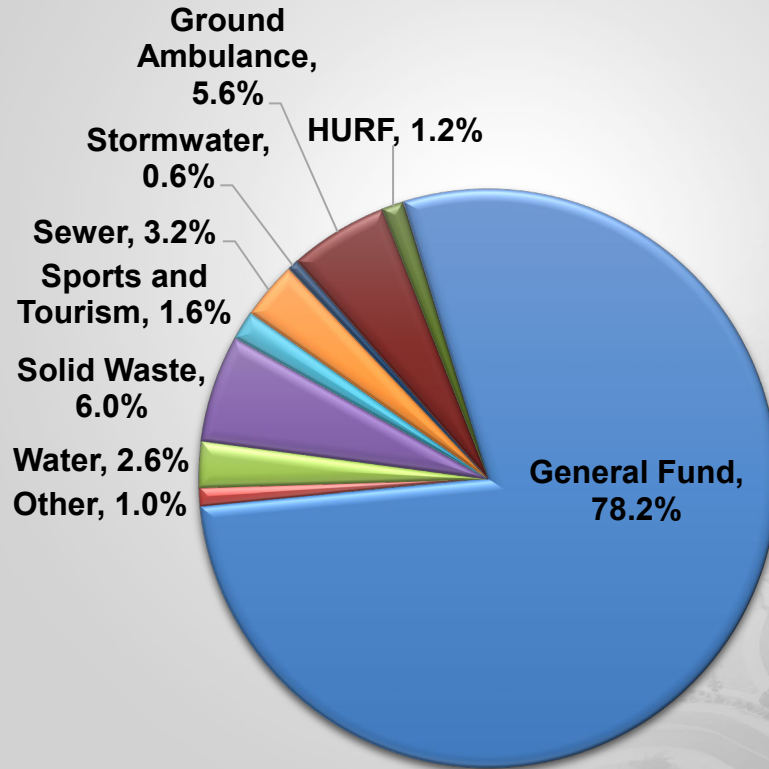
# **Workers Compensation Update**

Health Benefits Trust Fund Board

March 6, 2024

# Financial Position of the WC Trust

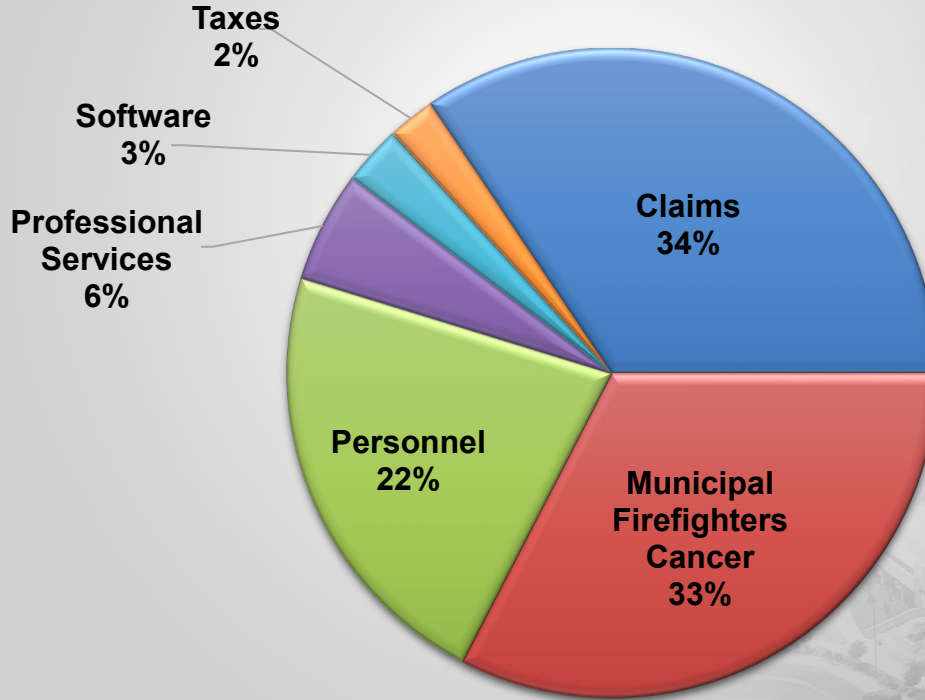
## Ongoing Sources



**FY24  
Budget of  
\$1,333,200**

# Financial Position of the WC Trust

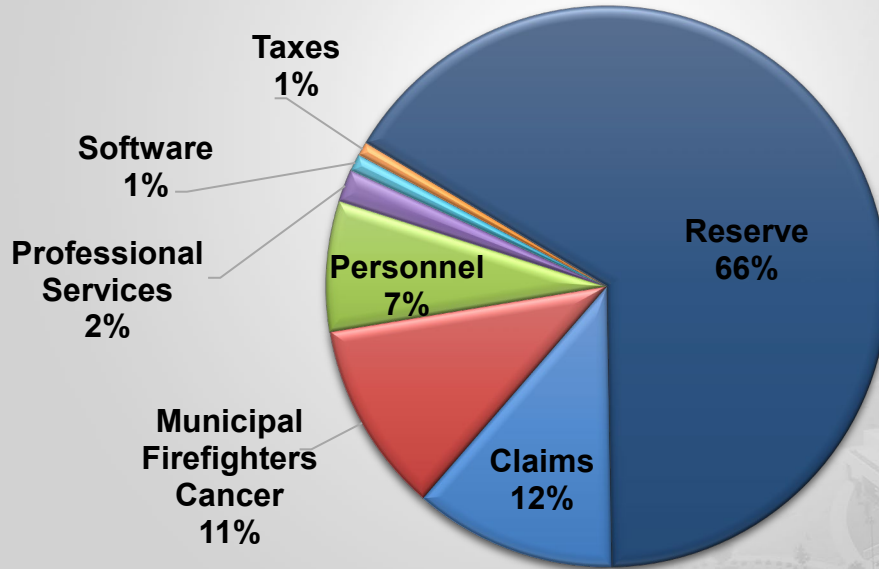
Ongoing  
Uses



FY24  
Budget of  
\$1,534,400

# Financial Position of the WC Trust

Uses including  
Reserves



FY24  
Budget of  
\$4,534,400

# WC Budget Detail

<b>Program/Object</b>	<b>FY2025 Budget</b>
<b><u>16411 - Workers Compensation</u></b>	
55023 - Prof Svc-Legal Services	10,000
55027 - Prof Svc-Software Licenses	45,000
55095 - Professional_Outside Svc-Other	75,000
55530 - Claim Settlement	500,000
55531 - Bloodborne Exposure Clm Settle	5,000
55532 - Municipal Firefighters Cancer	500,000
55802 - Taxes Charges Service Fees	36,000
<b>16411 - Workers Compensation Total</b>	<b>1,171,000</b>
<b>*Fully-Insured Premium</b>	<b>\$1,750,000</b>

# WC Reserve Minimums

- The reserve will remain in place and will be funded in accordance with applicable rules and guidelines.



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**QUESTIONS OR  
COMMENTS?**

**Thank You**