CITY OF SURPRISE
Health Benefits Trust Fund Board
16000 N. Civic Center Plaza
Surprise, AZ 85374
Wednesday, August 28, 2019 @ 4:00 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 June 5, 2019 Health Benefits Trust Fund Board meeting minutes.	Finance

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

2.	Citywide	Presentation and update from Blue Cross Blue Shield.	Human Resources
3.	Citywide	Presentation and discussion pertaining to CBIZ Consulting FY2019 4th Quarter Report.	None Lisa Angelini Finance
4.	Citywide	Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2019 4th Quarter.	None Nick Sarpy Finance
5.	Citywide	Discuss how premiums are set and administered.	None Andrea Davis Bretton Jeziorski Finance
6.	Citywide	Consideration and action pertaining to placing items on a future agenda.	None 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:Wed., August 21, 2019 @ 9:05 a.m. & Amended on Wed., August 21, 2019 @ 9:52 a.m. correction to the minutes.

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

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: August 28, 2019
Submitting Department: Finance
Staff Recommendations:

Contact Person:
District: Citywide

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

Agenda Wording:
Consideration and action pertaining to approval of the June 5, 2019 Health Benefits Trust Fund Board meeting minutes.

Motion:
I move to approve the June 5, 2019 Health Benefits Trust Fund Board meeting minutes.

Background:
Attached are the minutes from the June 5, 2019 board meeting

Objective Analysis:

Policy Compliant:

Financial Impact:
No financial impact.

Budget Impact:
None

FTE Impact:

ATTACHMENTS:
1. HBTF MINUTES 06.05.19 Draft

CITY OF SURPRISE

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

June 5, 2019

MEETING MINUTES

CALL TO ORDER

Chair Gwen Skorupan called the Health Benefits Trust Fund Meeting to order at 4:06 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, June 5, 2019.

ROLL CALL

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

STAFF PRESENT:

Donna Meuse, Human Resources Manager; Lisa Angelini, Human Resources Director; Tami Turkovich, Human Resources Assistant Director; Lindsey Steinhoff, Human Resources Specialist; Nicholas Sarpy, Accounting Manager; Harold Brady, PS Legal Advisor; Laura Roybal, Administrative Services Assistant.

PLEDGE OF ALLEGIANCE

CURRENT EVENTS REPORT

None

STAFF REPORT

None

CALL TO THE PUBLIC

None

CONSENT AGENDA

Item 1: Consideration and action to approve the February 27, 2019 Health Benefits Trust Fund Board Meeting Minutes.

- Board Member Coniam made a motion to approve the minutes. Vice Chair Bacon seconded the motion. Motion passed.

REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING

Item 2: Presentation by the City of Surprise Attorney's Office pertaining to Arizona Open Meeting and Conflict of Interest Laws

- Harold Brady gave a presentation explaining how the Arizona Open Meeting and Conflict of Interest Laws pertain to the Health Benefits Trust Fund Board.

Item 3: Presentation and discussion of CBIZ Consulting FY2019 3rd Quarter Report.

- Michael Barberio presented CBIZ Consulting's 3rd Quarter Report for FY2019.

Item 4: Discussion on Stop Loss Contract Language and audit provisions.

- Stacy Hutton provided the board with copies of BCBS' sample stop loss language that was included in the RFP, as well as the RFP responses from BCBS pertaining to claims auditing.

Item 5: Presentation and discussion of the city's unaudited Employee Healthcare and Worker's Compensation Self Insurance Funds Financial Report for FY2019 3rd Quarter.

- Nicholas Sarpy, Accounting Manager, presented the 3rd Quarter Financial report for FY2019.

Item 6: Human Resources Update – Open Enrollment

- Lisa Angelini, Human Resources Director, gave an update regarding the results and statistics of open enrollment.

Item 7: Consideration and action pertaining to placing items on future agenda.

- Board member Pastor requested a discussion regarding how the insurance premiums are assessed and the variables, and how they are calculated and charged to each department.

OTHER BUSINESS

None

ADJOURNMENT

Vice Chair Bacon made a motion to adjourn the meeting. Board Member Davis seconded the motion. Hearing no further business, Chairperson Skorupan adjourned the Health Benefits Trust Fund meeting at 5:16 p.m.

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Gwen Skorupan, Chair
Health Benefits Trust Fund Board

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: August 28, 2019
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Citywide

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

Agenda Wording:
Presentation and update from Blue Cross Blue Shield.

Motion:

Background:
Presentation regarding network changes, wellness programs, and upcoming technology improvements.

Objective Analysis:

Policy Compliant:

Financial Impact:
There is no financial impact.

Budget Impact:
There is no budget impact.
FTE Impact:
There is no FTE impact.

ATTACHMENTS:
1. BCBS Presentation for Board Mtg 8.28.19

SURPRISE
ARIZONA

Board Meeting 8.28.19

BlueCross BlueShield Arizona

An Independent Licensee of the Blue Cross Blue Shield Association

Agenda

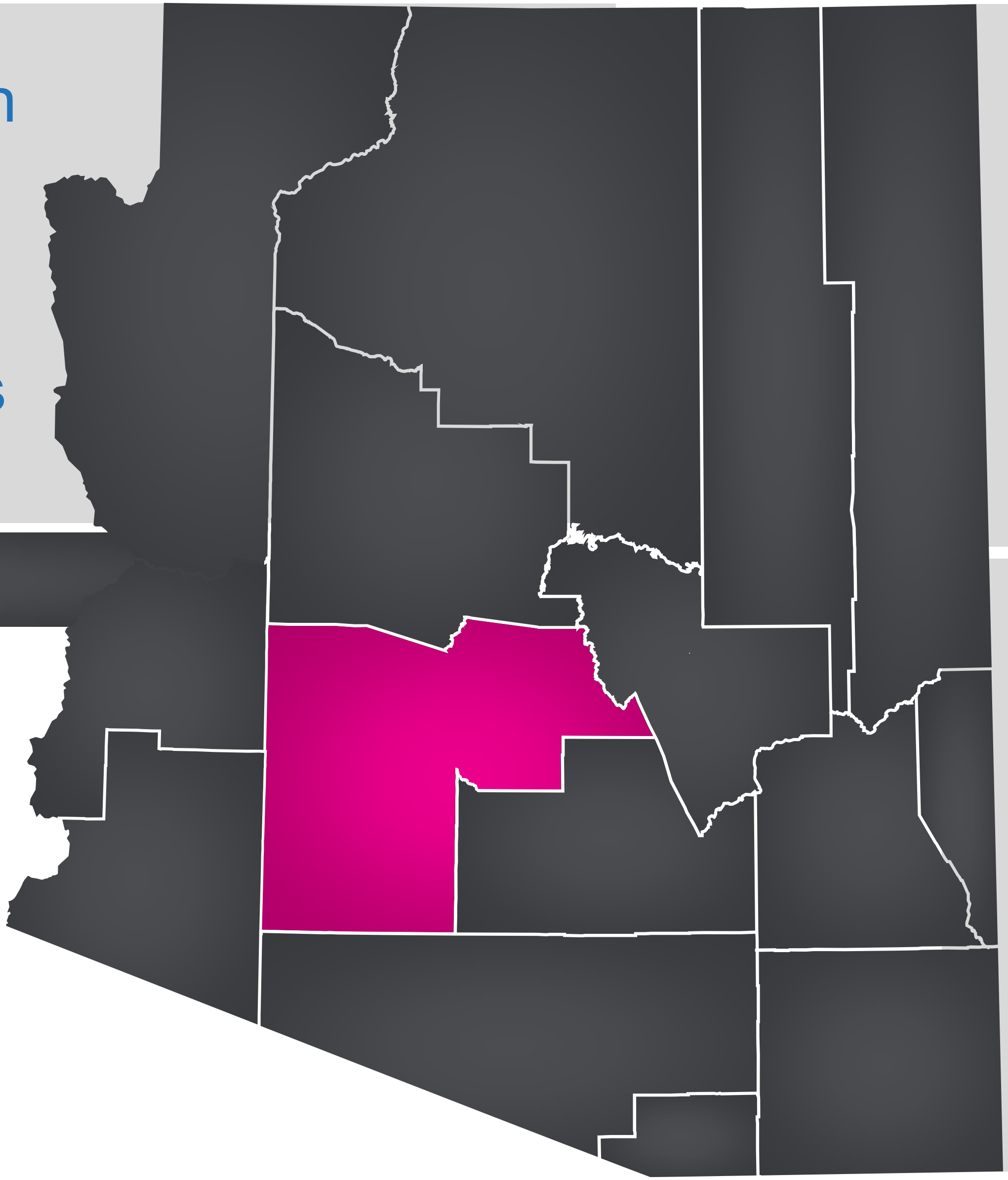
1	Network updates
2	Wellness updates
3	BCBSAZ updates

Our Consultative Team
Christie Thomas Strategic Relationship Executive
Darren Deering, DO Corporate Medical Director
Scott Waite Client Service Manager
Bob Jusell Senior Manager, Client Analytics
Jennifer Knoll Health Promotion Executive

Network Updates

17,000+ Physicians

100+ Hospitals



New – 2019

Alliance

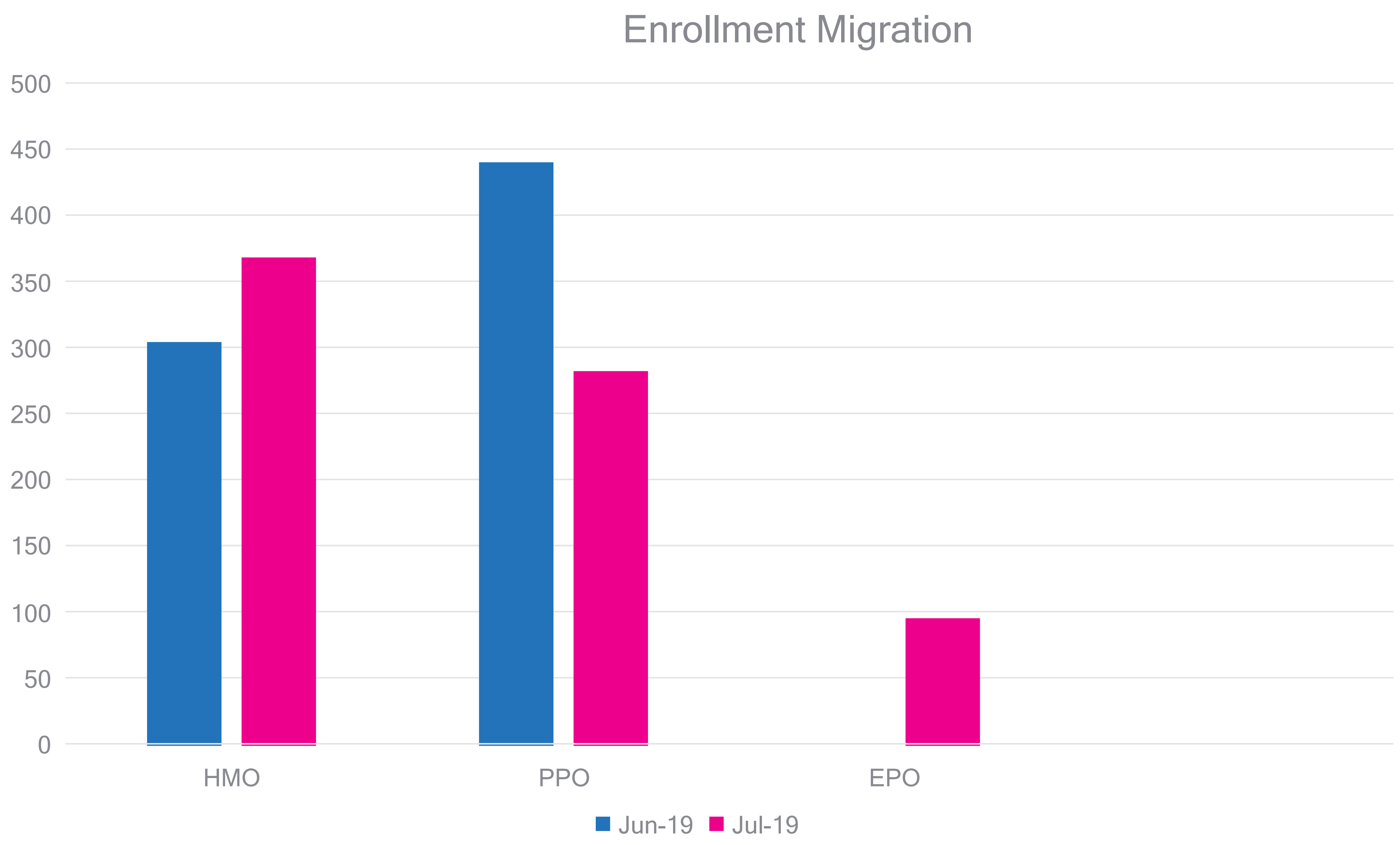
1200+	Physicians
20+	Hospitals

98% hospitals

96% physicians

97% claims paid in network

Enrollment



Enrollment Migration
500
450
400
350
300
250
200
150
100
50
0
HMO
PPO
EPO
Jun-19
Jul-19

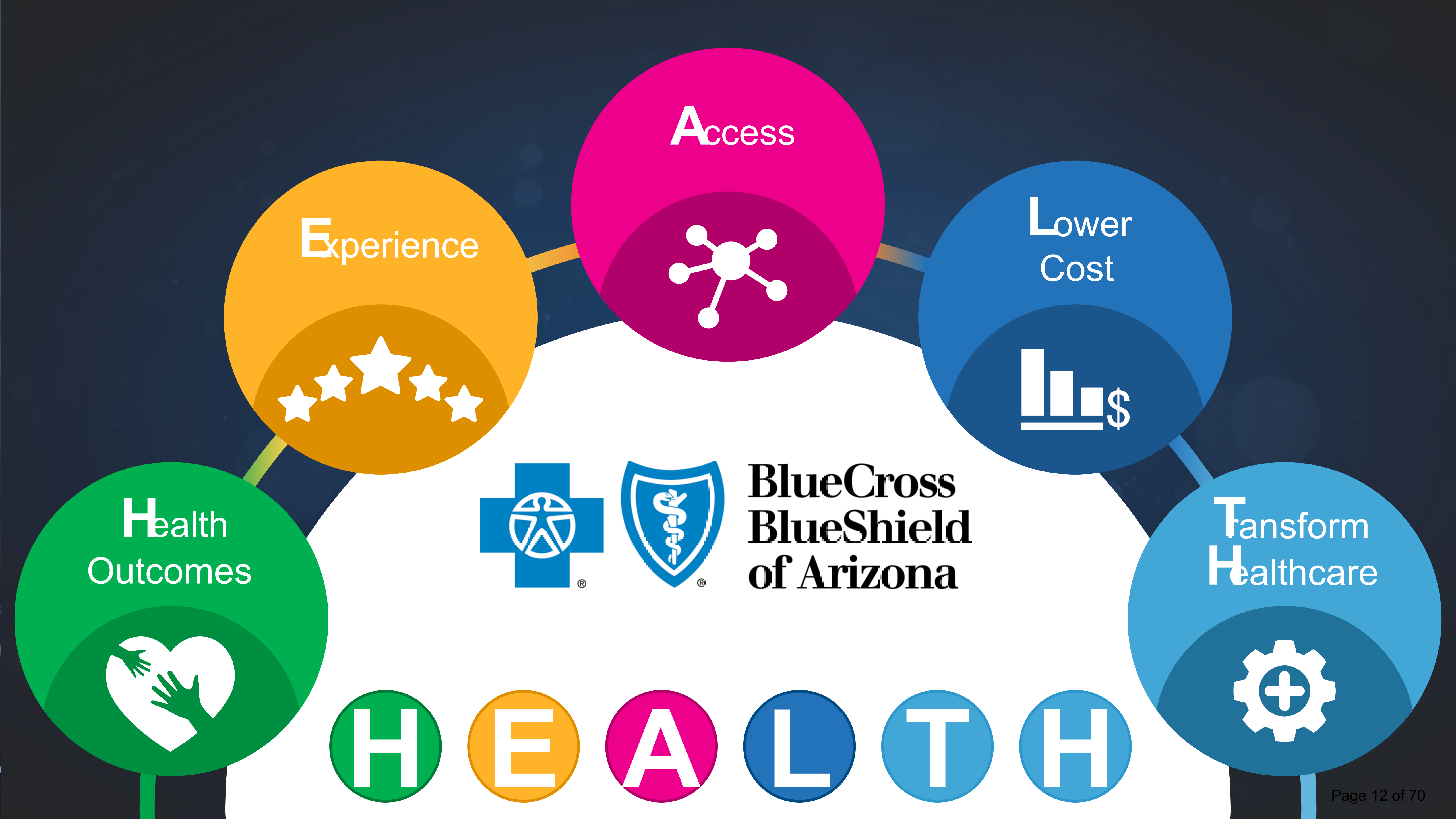
Wellness Engagement

344 Wellness Assessment Completed (Employees & Spouses)

345 Members Using Healthy Blue Way portal to track activities

135 Participants on Walker Tracker Vacation Destination Challenge

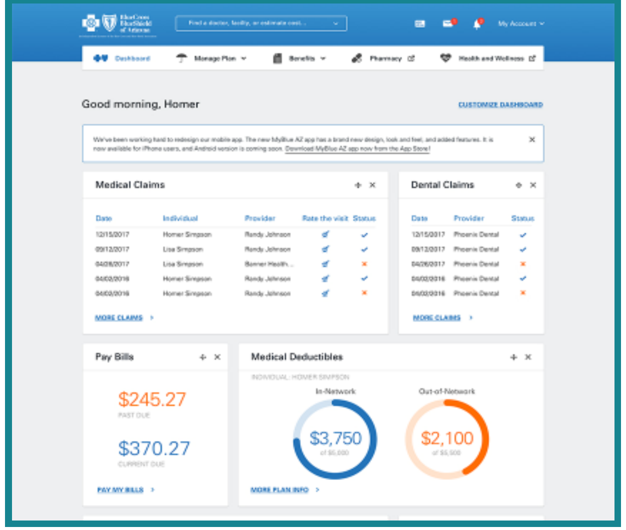
276 Participants in biometric screenings


Access
Experience
Lower Cost
Health Outcomes
Transform Healthcare
BlueCross BlueShield of Arizona
H E A L T H

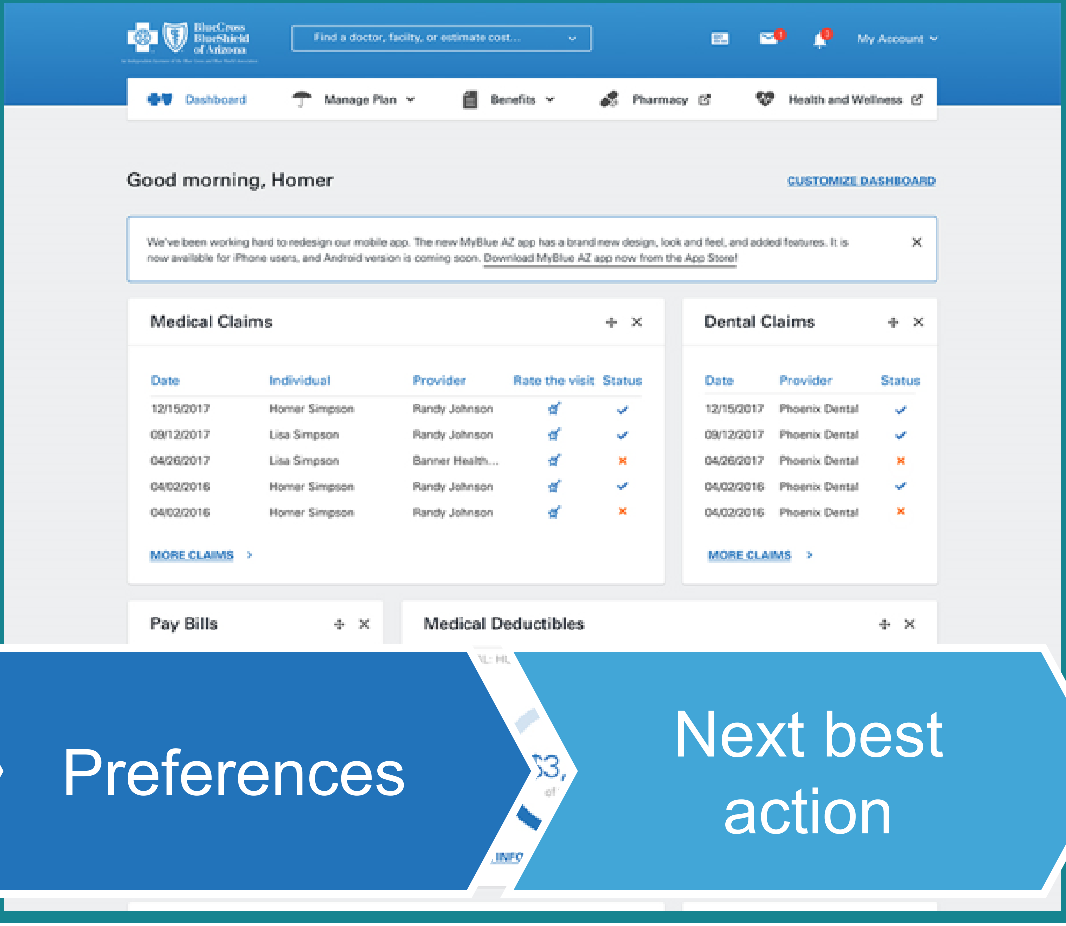
BCBSAZ Updates - Experience Design

2019

New employee portal



New employee portal



Data

Preferences

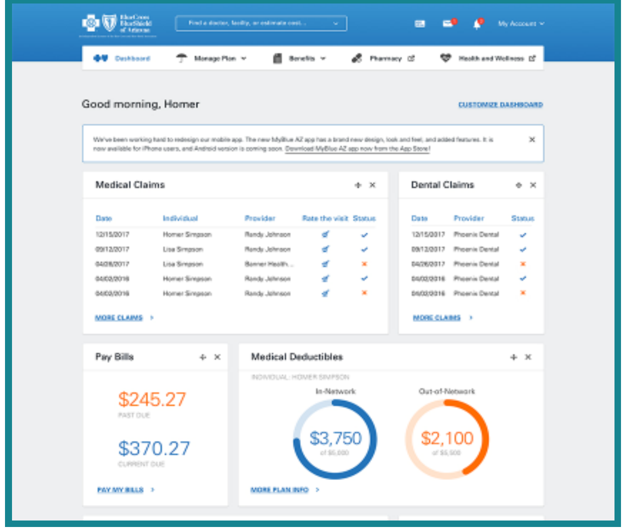
Next best action

Health outcomes

BlueCross BlueShield of Arizona

2019

New employee portal

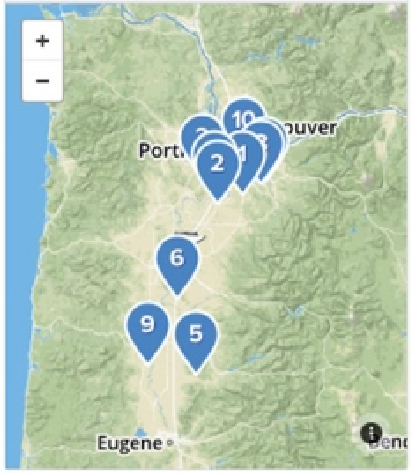


Data	Spanish experience	6.8%	Low English competency
Preferences	Text messaging	75%	Preferred
Next best action	Push notifications	88%	App engagement
Health outcomes	SENSENTIA		

BlueCross BlueShield of Arizona

Home Favorites Settings

Redo search when map moved



ALICE has signed up for this reward!
Enjoy a $50 gift card when you choose any doctor or place that costs **$790 or less.**

See your rewards

MRI, Neck Spine

An MRI of the Neck Spine is a scan to create a detailed 3-D image of the spinal bones and tissues of the neck.

Service
The estimated average out of pocket cost for MRI, Neck Spine in this area is: $1,049
Cost range: $386 - $2,107

Save & Print

Viewing for: Member ALICE DARRINGTON Sort: Cost (Low to High)

Showing 1 - 10 of 37 results

Refine your results
Miles from starting point
1 5 25 50 100 150

Tiered Networks
Tier 1 (23)
Tier 2 (13)

Languages Spoken by Provider
English (36)

Accepting New Patients
Accepting New Patients (30)

Request Appt
Favorite
Compare

Col Northwest Llc
Radiology Services
★★★★☆ (1)
9200 SE 91st Ave STE 330
Happy Valley, OR 97086
6.5 miles Get directions
(503) 774-7700
Call for Office Hours
Accepting new patients
Talk to a doctor MDLive

Your estimated out-of-pocket cost:
$386
Average Total Cost: $386
Tier 1
BEST COVERAGE
$50 gift card

Tier 1
BEST COVERAGE
$50 gift card

BCBSAZ Updates - Community Initiatives

MobilizeAZ

Substance Use Disorder

MAT expansion

Community Advisory Committee

Mental Health

Care access

Increased provider numbers

Diabetes

onduo

Monitoring technology

A1c levels

Community grants

BlueCross BlueShield of Arizona

sharecare

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: August 28, 2019
Submitting Department: Finance
Staff Recommendations: None

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

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

Agenda Wording:
Presentation and discussion pertaining to CBIZ Consulting FY2019 4th Quarter Report.

Motion:
None. Discussion only.

Background:

Objective Analysis:
CBIZ Consulting will present the 4th Quarter self-funded medical, dental, and vision report for plan year FY2019 for the City. This report contains financial information and claims activity.

Policy Compliant:

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

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

FTE Impact:

ATTACHMENTS:
1. City of Surprise Medical, Dental & Vision Experience 06 19
2. City of Surprise PBM Summary Aug 2019 Board Meeting
3. City of Surpise Stop Loss Review

City of Surprise

Medical, Pharmacy, Dental & Vision Experience

Plan Year: ***July 2018 – June 2019***

Month End: ***June 2019***

Presented by your CBIZ Team

Mike Barberio, Stacy Hutton & Margaret Latham

our business is growing yours.

City of Surprise

Paid Claims and Administration

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

Incurred and Paid

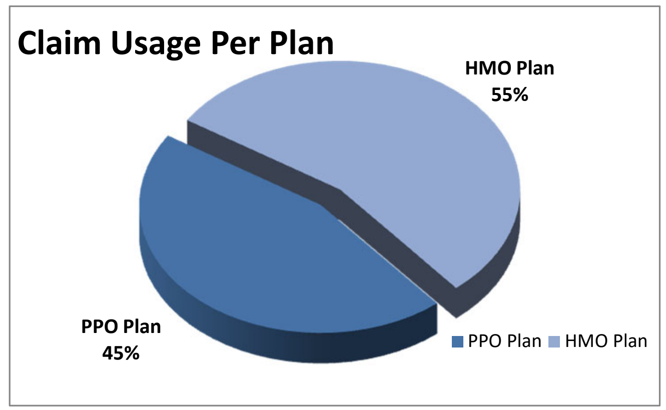
BlueCross BlueShield of Arizona and Optum Rx- All Plans														Loss Ratio		PEPM Costs				
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates & Performance Guarantees	Blue Card Claims Expense & Misc.	Capitation Fees	Value 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 Reimburse-ment PEPM	Total Claims & Fees PEPM
Jul-18	710	$ 833,067	$ 971,366	$ 274,230	$ 172,399	$ -	$ 15	$ 3,610	$ 1,346	$ -	$ 451,599	$ 85,578	$ 537,177	54.2%	46.5%	$391.34	$242.82	$636.06	$636.06	$756.59
Aug-18	715	$ 838,586	$ 977,857	$ 810,047	$ 156,087	$ -	$ 148	$ 3,655	$ 1,354	$ -	$ 971,290	$ 86,182	$ 1,057,472	115.8%	99.3%	$1,138.25	$218.30	$1,358.45	$1,358.45	$1,478.98
Sep-18	715	$ 841,030	$ 980,453	$ 726,683	$ 149,875	$ -	$ 179	$ 3,703	$ 1,327	$ (75,627)	$ 806,140	$ 86,183	$ 892,323	95.9%	82.2%	$1,021.77	$209.62	$1,233.24	$1,127.47	$1,248.00
Oct-18	715	$ 839,935	$ 979,306	$ 909,571	$ 172,101	$ -	$ 400	$ 3,686	$ 1,370	$ (90,880)	$ 996,247	$ 86,184	$ 1,082,431	118.6%	101.7%	$1,277.84	$240.70	$1,520.46	$1,393.35	$1,513.89
Nov-18	714	$ 838,278	$ 977,433	$ 647,417	$ 115,033	$ -	$ (952)	$ 3,668	$ 1,469	$ (68,978)	$ 697,657	$ 86,064	$ 783,721	83.2%	71.4%	$910.55	$161.11	$1,073.72	$977.11	$1,097.65
Dec-18	713	$ 835,049	$ 973,911	$ 702,396	$ 151,891	$ -	$ 36	$ 3,667	$ 1,470	$ (3,097)	$ 856,363	$ 85,945	$ 942,308	102.6%	87.9%	$990.32	$213.03	$1,205.41	$1,201.07	$1,321.61
Jan-19	729	$ 850,754	$ 992,626	$ 602,574	$ 155,411	$ (108,496)	$ 237	$ 3,826	$ 1,449	$ -	$ 655,000	$ 87,878	$ 742,878	77.0%	66.0%	$832.15	$213.18	$898.49	$898.49	$1,019.04
Feb-19	733	$ 856,373	$ 999,093	$ 614,827	$ 154,026	$ -	$ 236	$ 3,879	$ 1,481	$ (41,559)	$ 732,890	$ 88,361	$ 821,251	85.6%	73.4%	$844.40	$210.13	$1,056.55	$999.85	$1,120.40
Mar-19	737	$ 860,686	$ 1,004,187	$ 707,830	$ 152,514	$ -	$ 1,845	$ 3,911	$ 1,421	$ (16)	$ 867,504	$ 88,845	$ 956,349	100.8%	86.4%	$968.23	$206.94	$1,177.10	$1,177.08	$1,297.62
Apr-19	737	$ 860,761	$ 1,004,273	$ 764,990	$ 157,088	$ (102,823)	$ 168	$ 3,931	$ 1,423	$ (35,830)	$ 788,948	$ 88,845	$ 877,793	91.7%	78.6%	$1,043.54	$213.15	$1,119.10	$1,070.49	$1,191.04
May-19	732	$ 856,386	$ 999,009	$ 785,314	$ 126,056	$ (53,710)	$ 379	$ 3,905	$ 1,655	$ (261,062)	$ 602,537	$ 88,243	$ 690,780	70.4%	60.3%	$1,078.69	$172.21	$1,179.78	$823.14	$943.69
Jun-19	730	$ 857,009	$ 999,413	$ 565,102	$ 134,171	$ -	$ 294	$ 3,944	$ 1,624	$ (16)	$ 705,119	$ 88,002	$ 793,121	82.3%	70.6%	$779.92	$183.80	$965.94	$965.92	$1,086.47
Total	**8,680**	**$ 10,167,914**	**$ 11,858,927**	**$ 8,110,980**	**$ 1,796,652**	**$ (265,029)**	**$ 2,983**	**$ 45,385**	**$ 17,391**	**$ (577,066)**	**$ 9,131,295**	**$ 1,046,310**	**$ 10,177,605**	**89.8%**	**77.0%**	**$940.02**	**$206.99**	**$1,118.47**	**$1,051.99**	**$1,172.54**
Avg	**723**																			

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

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

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

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



	Client Budget	% Total Cost vs. Client Budget
Jul-18	$ 947,999	56.7%
Aug-18	$ 954,317	110.8%
Sep-18	$ 956,842	93.3%
Oct-18	$ 955,712	113.3%
Nov-18	$ 953,879	82.2%
Dec-18	$ 950,422	99.1%
Jan-19	$ 968,624	76.7%
Feb-19	$ 974,922	84.2%
Mar-19	$ 979,872	97.6%
Apr-19	$ 979,950	89.6%
May-19	$ 974,813	70.9%
Jun-19	$ 975,208	81.3%
Total	**$ 11,572,559**	**87.9%**

City of Surprise

Paid Claims and Administration

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

Incurred and Paid

	BlueCross BlueShield of Arizona & Optum Rx - PPO Plan										Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-18	390	$ 423,163	$ 498,606	$ 103,438	$ 58,063	$ -	$ -	$ 161,501	$ 47,104	$ 208,605	38.2%	32.4%	$265.23	$148.88	$414.10	$534.88
Aug-18	395	$ 428,681	$ 505,097	$ 245,311	$ 79,919	$ -	$ -	$ 325,230	$ 47,708	$ 372,938	75.9%	64.4%	$621.04	$202.33	$823.37	$944.15
Sep-18	398	$ 433,632	$ 510,722	$ 290,858	$ 50,099	$ -	$ -	$ 340,957	$ 48,070	$ 389,027	78.6%	66.8%	$730.80	$125.88	$856.68	$977.46
Oct-18	399	$ 434,089	$ 511,338	$ 362,611	$ 82,966	$ -	$ -	$ 445,577	$ 48,191	$ 493,768	102.6%	87.1%	$908.80	$207.93	$1,116.73	$1,237.51
Nov-18	400	$ 433,506	$ 510,857	$ 263,875	$ 68,898	$ -	$ -	$ 332,772	$ 48,312	$ 381,084	76.8%	65.1%	$659.69	$172.24	$831.93	$952.71
Dec-18	401	$ 433,501	$ 510,985	$ 330,947	$ 50,739	$ -	$ -	$ 381,686	$ 48,433	$ 430,118	88.0%	74.7%	$825.30	$126.53	$951.83	$1,072.61
Jan-19	418	$ 450,162	$ 530,836	$ 274,126	$ 68,286	$ (47,595)	$ -	$ 294,817	$ 50,486	$ 345,303	65.5%	55.5%	$655.80	$163.36	$705.30	$826.08
Feb-19	423	$ 456,258	$ 537,936	$ 287,632	$ 81,633	$ -	$ -	$ 369,265	$ 51,090	$ 420,355	80.9%	68.6%	$679.98	$192.99	$872.97	$993.75
Mar-19	428	$ 462,123	$ 544,792	$ 363,136	$ 81,690	$ -	$ -	$ 444,826	$ 51,694	$ 496,520	96.3%	81.7%	$848.45	$190.87	$1,039.31	$1,160.09
Apr-19	429	$ 463,272	$ 546,139	$ 381,886	$ 66,390	$ (48,767)	$ -	$ 399,510	$ 51,815	$ 451,324	86.2%	73.2%	$890.18	$154.76	$931.26	$1,052.04
May-19	426	$ 462,480	$ 544,901	$ 547,576	$ 46,401	$ -	$ (260,506)	$ 333,471	$ 51,452	$ 384,923	72.1%	61.2%	$1,285.39	$108.92	$1,394.31	$903.58
Jun-19	426	$ 465,252	$ 547,826	$ 232,781	$ 59,430	$ -	$ -	$ 292,210	$ 51,452	$ 343,663	62.8%	53.3%	$546.43	$139.51	$685.94	$806.72
Total	**4,933**	**$ 5,346,119**	**$ 6,300,037**	**$ 3,684,176**	**$ 794,513**	**$ (96,362)**	**$ (260,506)**	**$ 4,121,821**	**$ 595,808**	**$ 4,717,629**	**77.1%**	**65.4%**	**$746.84**	**$161.06**	**$888.37**	**$956.34**
Avg	**411**															

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

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

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

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	125	66	199	390
August	126	68	201	395
September	126	67	205	398
October	127	67	205	399
November	129	67	204	400
December	130	68	203	401
January	138	69	211	418
February	138	72	213	423
March	140	71	217	428
April	139	74	216	429
May	135	75	216	426
June	131	78	217	426
Totals	**1,584**	**842**	**2,507**	**4,933**

Month	Client Budget	% Total Cost vs. Client Budget
Jul-18	$ 485,293	43.0%
Aug-18	$ 491,611	75.9%
Sep-18	$ 497,095	78.3%
Oct-18	$ 497,691	99.2%
Nov-18	$ 497,214	76.6%
Dec-18	$ 497,333	86.5%
Jan-19	$ 516,645	66.8%
Feb-19	$ 523,559	80.3%
Mar-19	$ 530,235	93.6%
Apr-19	$ 531,546	84.9%
May-19	$ 530,354	72.6%
Jun-19	$ 533,215	64.5%
Total	**$ 6,131,791**	**76.9%**

City of Surprise

Paid Claims and Administration

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

Incurred and Paid

BlueCross BlueShield of Arizona & Optum Rx - HMO Plan											Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-18	320	$ 409,905	$ 472,760	$ 170,792	$ 114,336	$ -	$ -	$ 285,128	$ 38,474	$ 323,602	69.6%	60.3%	$533.72	$357.30	$891.03	$1,011.26
Aug-18	320	$ 409,905	$ 472,760	$ 564,736	$ 80,091	$ -	$ -	$ 644,828	$ 38,474	$ 683,301	157.3%	136.4%	$1,764.80	$250.29	$2,015.09	$2,135.32
Sep-18	317	$ 407,398	$ 469,731	$ 435,826	$ 99,776	$ -	$ (75,627)	$ 459,974	$ 38,113	$ 498,087	112.9%	97.9%	$1,374.84	$314.75	$1,689.59	$1,571.25
Oct-18	316	$ 405,846	$ 467,968	$ 546,960	$ 89,135	$ -	$ (90,880)	$ 545,215	$ 37,993	$ 583,207	134.3%	116.5%	$1,730.89	$282.07	$2,012.96	$1,845.59
Nov-18	314	$ 404,772	$ 466,576	$ 383,542	$ 46,135	$ -	$ (68,978)	$ 360,699	$ 37,752	$ 398,451	89.1%	77.3%	$1,221.47	$146.93	$1,368.40	$1,268.95
Dec-18	312	$ 401,548	$ 462,926	$ 371,449	$ 101,153	$ -	$ (3,097)	$ 469,504	$ 37,512	$ 507,016	116.9%	101.4%	$1,190.54	$324.21	$1,514.75	$1,625.05
Jan-19	311	$ 400,593	$ 461,790	$ 328,447	$ 87,125	$ (60,901)	$ -	$ 354,671	$ 37,392	$ 392,063	88.5%	76.8%	$1,056.10	$280.15	$1,140.42	$1,260.65
Feb-19	310	$ 400,116	$ 461,157	$ 327,195	$ 72,393	$ -	$ (41,559)	$ 358,029	$ 37,271	$ 395,300	89.5%	77.6%	$1,055.47	$233.53	$1,288.99	$1,275.16
Mar-19	309	$ 398,563	$ 459,395	$ 344,694	$ 70,824	$ -	$ (16)	$ 415,501	$ 37,151	$ 452,653	104.2%	90.4%	$1,115.51	$229.20	$1,344.72	$1,464.89
Apr-19	308	$ 397,489	$ 458,134	$ 383,104	$ 90,698	$ (54,056)	$ (35,830)	$ 383,916	$ 37,031	$ 420,947	96.6%	83.8%	$1,243.84	$294.47	$1,362.81	$1,366.71
May-19	306	$ 393,906	$ 454,108	$ 237,738	$ 79,656	$ -	$ (556)	$ 316,837	$ 36,790	$ 353,627	80.4%	69.8%	$776.92	$260.31	$1,037.23	$1,155.65
Jun-19	304	$ 391,757	$ 451,586	$ 332,321	$ 74,741	$ -	$ (16)	$ 407,046	$ 36,550	$ 443,596	103.9%	90.1%	$1,093.16	$245.86	$1,339.02	$1,459.20
Total	**3,747**	**$ 4,821,796**	**$ 5,558,890**	**$ 4,426,804**	**$ 1,006,062**	**$ (114,957)**	**$ (316,560)**	**$ 5,001,349**	**$ 450,502**	**$ 5,451,851**	**103.7%**	**90.0%**	**$1,181.43**	**$268.50**	**$1,419.24**	**$1,454.99**
Avg	**312**															

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

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

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

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	55	58	207	320
August	55	58	207	320
September	53	58	206	317
October	53	58	205	316
November	52	56	206	314
December	53	54	205	312
January	52	55	204	311
February	51	55	204	310
March	51	55	203	309
April	51	54	203	308
May	51	55	200	306
June	51	53	200	304
Totals	**628**	**669**	**2,450**	**3,747**

Month	Client Budget	% Total Cost vs. Client Budget
Jul-18	$ 462,706	69.9%
Aug-18	$ 462,706	147.7%
Sep-18	$ 459,747	108.3%
Oct-18	$ 458,021	127.3%
Nov-18	$ 456,665	87.3%
Dec-18	$ 453,089	111.9%
Jan-19	$ 451,980	86.7%
Feb-19	$ 451,363	87.6%
Mar-19	$ 449,637	100.7%
Apr-19	$ 448,404	93.9%
May-19	$ 444,459	79.6%
Jun-19	$ 441,993	100.4%
Total	**$ 5,440,768**	**100.2%**

City of Surprise

Paid Claims and Administration

Plan Year: July 2017 to June 2018 with Runout (as of March 2019)

Incurred and Paid

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

BCBS Runout							
Month	Paid Medical	Paid Rx	Optum Rx Rebates	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery	Total Paid Claims
Jul-18	$ 320,216	$ -	$ (107,496)	$ 76	$ 6	$ (5,606)	$ 207,195
Aug-18	$ 115,408	$ -	$ -	$ 271	$ 8	$ -	$ 115,688
Sep-18	$ 116,940	$ -	$ -	$ 28	$ -	$ -	$ 116,968
Oct-18	$ 93,868	$ -	$ (98,937)	$ 10	$ -	$ (514)	$ (5,573)
Nov-18	$ 8,173	$ (295)	$ -	$ 15	$ -	$ -	$ 7,892
Dec-18	$ 8,774	$ -	$ -	$ 13	$ -	$ (2,879)	$ 5,908
Jan-19	$ 8,438	$ -	$ -		$ -	$ 392	$ 8,830
Feb-19	$ 2,775	$ -	$ -	$ (2)	$ -	$ -	$ 2,773
Mar-19	$ 24,204	$ -	$ -	$ -	$ -	$ -	$ 24,204
Apr-19	$ 2,093	$ -	$ -	$ -	$ -	$ -	$ 2,093
May-19	$ 4,305	$ -	$ -	$ -	$ -	$ -	$ 4,305
Jun-19	$ 4,058	$ -	$ -	$ -	$ -	$ -	$ 4,058
Total	**$ 709,251**	**$ (295)**	**$ (206,433)**	**$ 410**	**$ 14**	**$ (8,606)**	**$ 494,341**

2017-2018 Medical Plan Costs with Runout

Total Claims Incurred for Time Period	Total Stop Loss Recovery	Total Paid Claims Net Runout	Total Admin Fees	Total Paid Claims and Admin Costs	% Actual Claims vs. Expected	% Actual Claims vs. Maximum Claim Liability	Total Paid Claims & Admin Costs PEPM	Client Budget	% Total Cost vs. Client Budget
$ 8,731,539	**$ (18,369)**	**$8,713,170**	**$ 974,352**	**$9,687,522**	**85.6%**	**68.4%**	**$ 1,151.77**	**$ 10,959,823**	**88.4%**

Specific Stoploss 12/24 $250,000 ISL

Aggregate Stoploss (125%)

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

City of Surprise
Paid Claims and Administration
Plan Year: July 2016 to June 2017 with Runout
Incurred and Paid

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

BCBS Runout						
Month	Paid Medical	Paid Rx	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery	Total Paid Claims
Jul-17	$ 381,280	$ 56,575	$ 213	$ (53)	$ (142,105)	$ 295,910
Aug-17	$ 140,903	$ 216	$ 86	$ (43)	$ (46,122)	$ 95,039
Sep-17	$ 59,704	$ -	$ -	$ (24)	$ 4,155	$ 63,835
Oct-17	$ 10,134	$ (3)	$ 145	$ -	$ (325)	$ 9,951
Nov-17	$ 3,920	$ -	$ -	$ -	$ -	$ 3,920
Dec-17	$ 4,071	$ 292	$ 36	$ -	$ -	$ 4,399
Jan-18	$ 6,573	$ -	$ (3)	$ -	$ -	$ 6,570
Feb-18	$ 1,529	$ -	$ 30	$ -	$ (463)	$ 1,095
Mar-18	$ 3,168	$ -	$ -	$ -	$ -	$ 3,168
Apr-18	$ 6,442	$ -	$ -	$ -	$ -	$ 6,442
May-18	$ 114	$ -	$ -	$ -	$ -	$ 114
Jun-18	$ 399	$ -	$ -	$ -	$ -	$ 399
Total	**$ 618,239**	**$ 57,080**	**$ 506**	**$ (120)**	**$ (184,861)**	**$ 490,844**
Runout Pd in 18-19	**$ 522**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 522**

2016-2017 Medical Plan Costs with Runout

Total Claims Incurred for Time Period	Total Stop Loss Recovery	Total Paid Claims Net Runout	Total Admin Fees	Total Paid Claims and Admin Costs	% Actual Claims vs. Expected	% Actual Claims vs. Maximum Claim Liability	Total Paid Claims & Admin Costs PEPM	Client Budget	% Total Cost vs. Client Budget
$ 8,746,550	**($327,291)**	**$ 8,419,259**	**$ 1,291,572**	**$9,710,832**	**89.3%**	**71.4%**	**$ 1,202.13**	**$ 10,461,364**	**92.8%**

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

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

City of Surprise

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

Annual Cost Comparison Analysis

Incurred and Paid - 2017/2018 vs. 2018/2019

Cost Categories	2017/2018 with Runout	PEPM Costs	2018/2019 Estimated Annual	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$7,146,271	$849.63	$8,922,078	$1,027.89	24.85%	$1,775,807	21.0%	$178.26
Rx Claims Costs**	$1,729,527	$205.63	$1,796,652	$206.99	3.88%	$67,124	0.7%	$1.36
Rx Rebates	($206,433)	($24.54)	($459,000)	($52.88)	122.35%	($252,567)	115.5%	($28.34)
Blue Card, Captitation Expenses & Misc.	$62,469	$7.43	$65,759	$7.58	5.27%	$3,290	2.0%	$0.15
Stop Loss Recoveries***	($18,369)	($2.18)	($577,066)	($66.48)		($558,697)		($64.30)
Admin Fees	$974,352	$115.84	$1,046,310	$120.54	7.39%	$71,958	4.1%	$4.70
Total Costs	**$9,687,818**	**$1,151.80**	**$10,794,732**	**$1,243.63**	**11.4%**	**$1,106,914**	**8.0%**	**$91.83**

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	**$1,176.35**	**-2.1%**
2018/2019	**$1,243.63**	**5.7%**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,411	8,680	3.20%	$269

*2018/2019 Medical Claims Costs includes a 10% completion factor
***Stop Loss Recoveries are not annualized

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

Cost Categories	2016/2017 with Runout	PEPM Costs	2017/2018 with Runout	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$7,034,630	$870.84	$7,146,271	$849.63	1.59%	$111,641	-2.4%	($21.20)
Rx Claims Costs (Including Rx Rebates)	$1,652,805	$204.61	$1,729,527	$205.63	4.64%	$76,723	0.5%	$1.02
Blue Card, Captitation Expenses & Misc.	$58,594	$7.25	$62,469	$7.43	6.61%	$3,875	2.4%	$0.17
Stop Loss Recoveries	($327,291)	($40.52)	($18,369)	($2.18)				
Admin Fees	$1,291,572	$159.89	$974,352	$115.84	-24.56%	($317,221)	-27.5%	($44.05)
Total Costs	**$9,710,310**	**$1,202.07**	**$9,894,251**	**$1,176.35**	**1.9%**	**$183,940**	**-2.1%**	**($25.72)**

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

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

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

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Description	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Qtr	Previous Quarter's YTD Paid Claims	Change from Prior Quarter's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
1	B008	N	Termed 5/1/19	PPO	Organ-Limited Amyloidosis; Ventricular Tachycardia	$492,051	$18,455	$510,506	$510,506	$0	100.0%	($260,506)	$250,000
2	A021	Y	Termed 12/1/18	HMO	Heart Replaced By Transplant	$487,161	$4,649	$491,810	$491,810	$0	100.0%	($241,810)	$250,000
3	B001	N	Active	HMO	Non-Hodgkin Lymphoma, Unspecified, Lymph Nodes Of Multiple Sites	$324,663	$88	$324,751	$324,735	$16	100.0%	($74,751)	$250,000
4	B005	N	Active	PPO	Other Postprocedural Complications And Disorders Of Digestive Syste	$169,517	$73	$169,590	$169,398	$192	67.8%		$169,590
5	B002	N	Active	PPO	Pressure Ulcer, Hip	$145,494	$4,725	$150,219	$148,221	$1,997	60.1%		$150,219
6	A017	Y	Active	HMO	Rheumatoid Arthritis	$146,934	$1,558	$148,492	$137,269	$11,223	59.4%		$148,492
7	B007	N	Active	HMO	Spondylolisthesis, Lumbar Region	$140,276	$0	$140,276	$140,276	$0	56.1%		$140,276
8	A007	N	Active	PPO	Iron Deficiency Anemia, Unspecified	$2,458	$116,829	$119,287	$119,150	$137	47.7%		$119,287
9	A019	Y	Active	PPO	Pneumonia, Organism Unspecified Septicemia	$117,690	$0	$117,690	$111,990	$5,700	47.1%		$117,690
10	PY 16-17 #26	Y	Active	HMO	Acute Posthemorrhagic Anemia	$17,943	$97,389	$115,331	$103,485	$11,847	46.1%		$115,331
11	B014	N	Active	HMO	Calculus Of Gallbladder With Chronic Cholecystitis Without Obstruction	$107,474	$1,181	$108,655		$108,655	43.5%		$108,655
12	B009	N	Termed	HMO	Generalized Anxiety Disorder	$0	$96,190	$96,190	$84,548	$11,642	38.5%		$96,190
13	B003	N	Active	HMO	Atherosclerosis Of Arteries Of The Extremities	$90,215	$419	$90,634	$89,230	$1,404	36.3%		$90,634
14	B012	N	Active	PPO	St Elevation (Stemi) Myocardial Infarction Involving Other Coronary A	$80,269	$2,048	$82,316	$69,633	$12,684	32.9%		$82,316
15	B006	N	Active	HMO	Maternal Care For Transverse And Oblique Lie, Other Fetus	$81,607	$519	$82,126	$82,083	$44	32.9%		$82,126
16	A024	Y	Active	PPO	Calculus Of Gallbladder With Chronic Cholecystitis Without Obstruction	$13,309	$67,695	$81,004	$73,230	$7,773	32.4%		$81,004
17	A013	Y	Active	HMO	Hypopituitarism	$916	$72,645	$73,561	$73,453	$108	29.4%		$73,561
18	B011	N	Active	PPO	Behavioral Health Condition	$68,935	$4,323	$73,258	$64,892	$8,366	29.3%		$73,258
19	B010	N	Active	PPO	Mixed Incontinence	$54,169	$16,921	$71,091	$70,085	$1,006	28.4%		$71,091
20	B013	N	Active	HMO	Sepsis Due To Methicillin Resistant Staphylococcus Aureus	$64,545	$2	$64,546	$64,546	$0	25.8%		$64,546
21	A018	Y	Active	HMO	Psoriasis, Unspecified	$896	$61,887	$62,783	$62,783	$0	25.1%		$62,783
22	B004	N	Active	HMO	Unspecified Septicemia	$58,746	$0	$58,746	$58,746	$0	23.5%		$58,746
23	A020	Y	Active	PPO	Autistic Disorder	$54,269	$11	$54,280	$53,391	$889	21.7%		$54,280
24	B012	N	Active	PPO	Hereditary and degenerative nervous system conditions	$6,363	$47,273	$53,636	$51,553	$2,084	21.5%		$53,636
25	B015	N	Active	HMO	Other Spondylosis With Radiculopathy, Cervical Region	$33,146	$17,503	$50,649		$50,649	20.3%		$50,649
26	A023	Y	Active	HMO	Cholesteatoma Of Attic, Right Ear	$19,247	$31,277	$50,524		$50,524	20.2%		$50,524
					Total	$2,778,290	$663,660	$3,441,951	$3,155,012	$286,938		($577,066)	$2,864,885
					Percentage of Large Claims vs. Medical & Rx Claims			34.7%					

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

Plan Year: July 2017 to June 2018 (as of June 2019)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Description	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Qtr	Previous Quarter's YTD Paid Claims	Change from Prior Quarter's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
1	A003	Y	Termed 7/2018	PPO	Pathologic Fracture of Neck of Femur	$262,777	$5,591	$268,368	$268,368	$0	100.0%	($18,368)	$250,000
2	A019	N	Active	PPO	Pneumonia, Organism Unspecified	$227,887	$368	$228,255	$228,255	$0	91.3%		$228,255
3	A011	N	Active	HMO	Fracture of Shaft of Femur, closed	$182,307	$4,071	$186,378	$186,378	$0	74.6%		$186,378
4	A007	Y	Active	PPO	Iron Deficiency Anemia, Unspecified	$4,120	$157,630	$161,750	$161,750	$0	64.7%		$161,750
5	A021	Y	Termed 12/2018	HMO	Complications Heart Replaced By Transplant	$125,972	$14,873	$140,844	$140,844	$0	56.3%		$140,844
6	A004	N	Active	HMO	Anorexia Nervosa	$121,942	$687	$122,628	$122,628	$0	49.1%		$122,628
7	A013	Y	Active	HMO	Panhypopituitarism	$470	$118,602	$119,072	$119,072	$0	47.6%		$119,072
8	A005	N	Active	PPO	Scoliosis (And Kyphoscoliosis), Idiopathic	$108,654	$14	$108,668	$108,668	$0	43.5%		$108,668
9	A014	N	Active	HMO	Spinal Stenosis In Cervical Region	$98,283	$2,893	$101,175	$101,175	$0	40.5%		$101,175
10	A006	N	Termed 11/2018	HMO	Spinal Stenosis, Lumbar Region, Without Neurogenic Claudication	$90,191	$598	$90,789	$90,789	$0	36.3%		$90,789
11	A027	N	Termed 3/2019	PPO	Asymptomatic Varicose Veins	$85,643	$4,458	$90,101	$90,101	$0	36.0%		$90,101
12	A001	N	Active	PPO	Spinal Stenosis, Lumbar Region, Without Neurogenic Claudication	$84,604	$105	$84,710	$84,710	$0	33.9%		$84,710
13	A020	N	Active	PPO	Infantile Autism, Current Or Active State	$75,417	$14	$75,431	$75,431	$0	30.2%		$75,431
14	A017	N	Active	HMO	Rheumatoid Arthritis	$68,415	$5,518	$73,933	$73,933	$0	29.6%		$73,933
15	A008	N	Active	PPO	Other Specified Complications Of Pregnancy, With Delivery	$72,764	$18	$72,781	$72,781	$0	29.1%		$72,781
16	A010	N	Active	HMO	Acquired Spondylolisthesis	$65,583	$2,707	$68,291	$68,291	$0	27.3%		$68,291
17	A016	N	Active	HMO	Acute Myocardial Infarction, Subendocardial Infarction, Init	$65,719	$2,240	$67,959	$67,959	$0	27.2%		$67,959
18	A018	N	Active	HMO	Other Psoriasis And Similar Disorders	$66,485	$199	$66,684	$66,684	$0	26.7%		$66,684
19	A022	N	Active	PPO	Type II Or Unspecified Type Diabetes Mellitus	$61,971	$3,311	$65,282	$65,282	$0	26.1%		$65,282
20	A015	N	Active	HMO	Contusion Of Lung Without Open Wound Into Thorax	$64,371	$0	$64,371	$64,371	$0	25.7%		$64,371
21	A009	Y	Active	HMO	Generalized Anxiety Disorder	$175	$63,533	$63,709	$63,709	$0	25.5%		$63,709
22	A023	Y	Active	HMO	Cholesteatoma Of Attic	$19,750	$41,991	$61,741	$61,741	$0	24.7%		$61,741
23	A025	N	Active	PPO	Pressure Ulcer, Hip	$58,908	$678	$59,586	$59,586	$0	23.8%		$59,586
24	A024	Y	Active	PPO	Multiple Sclerosis	$315	$55,841	$56,156	$56,156	$0	22.5%		$56,156

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

Plan Year: July 2017 to June 2018 (as of June 2019)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Description	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Qtr	Previous Quarter's YTD Paid Claims	Change from Prior Quarter's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
25	A002	N	Active	PPO	Broken Prosthetic Joint Implant	$54,628	$334	$54,961	$54,961	$0	22.0%		$54,961
26	A012	N	Active	PPO	Atrial Fibrillation	$53,914	$188	$54,102	$54,102	$0	21.6%		$54,102
27	A026	N	Active	HMO	Opioid Type Dependence, Continuous Use	$53,968	$70	$54,038	$54,038	$0	21.6%		$54,038
					Total	$2,175,232	$486,531	$2,661,763	$2,661,763	$0		($18,368)	$2,643,395
					Percentage of Large Claims vs. Medical & Rx Claims			30.0%					

Dental Reports

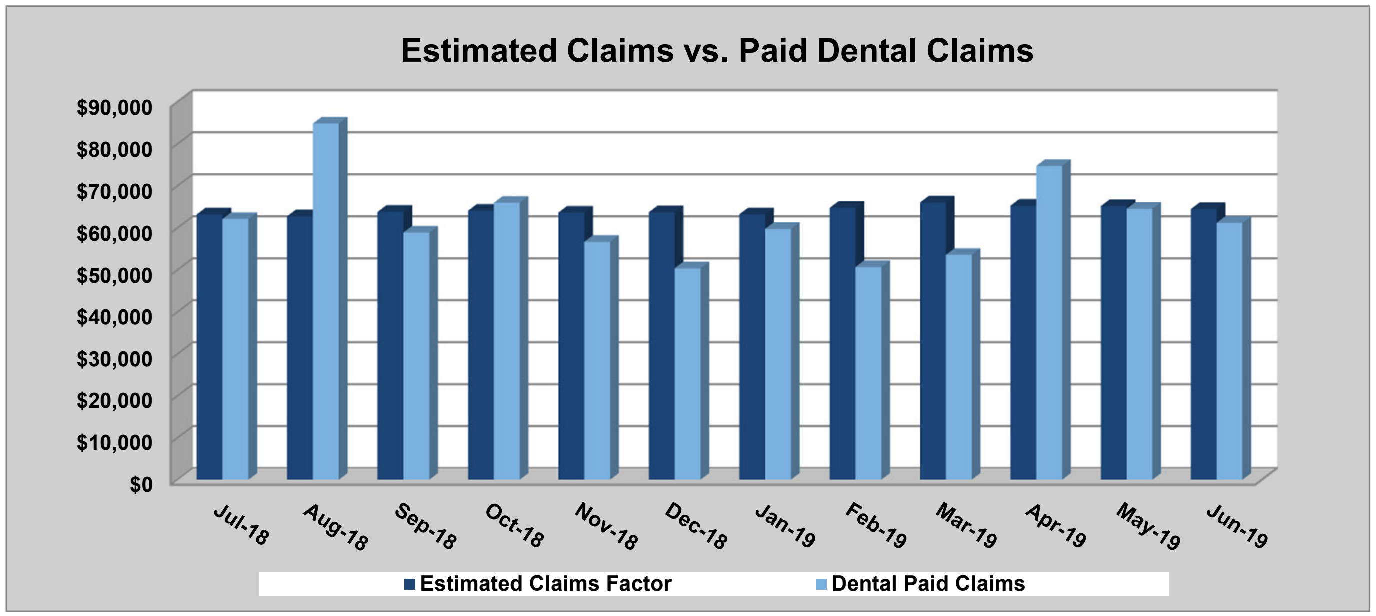
City of Surprise
Metlife Dental Self Funded Paid Claims
Plan Year: July 2018 to June 2019 (as of June 2019)

MetLife Dental						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Dental Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Dental Paid Claims PEPM	Total Plan Costs PEPM
Jul-18	734	$63,219	$3,920	$62,128	$66,048	98.3%	$84.64	$89.98
Aug-18	729	$62,789	$3,893	$84,852	$88,745	135.1%	$116.39	$121.73
Sep-18	741	$63,822	$3,957	$58,892	$62,849	92.3%	$79.48	$84.82
Oct-18	744	$64,081	$3,973	$65,983	$69,956	103.0%	$88.69	$94.03
Nov-18	739	$63,650	$3,946	$56,676	$60,622	89.0%	$76.69	$82.03
Dec-18	740	$63,736	$3,952	$50,384	$54,335	79.1%	$68.09	$73.43
Jan-19	734	$63,219	$3,920	$59,755	$63,674	94.5%	$81.41	$86.75
Feb-19	752	$64,770	$4,016	$50,679	$54,694	78.2%	$67.39	$72.73
Mar-19	767	$66,062	$4,096	$53,581	$57,677	81.1%	$69.86	$75.20
Apr-19	758	$65,287	$4,048	$74,757	$78,804	114.5%	$98.62	$103.96
May-19	757	$65,200	$4,042	$64,562	$68,605	99.0%	$85.29	$90.63
Jun-19	749	$64,511	$4,000	$61,204	$65,204	94.9%	$81.71	$87.05
Total	**8,944**	**$770,347**	**$47,761**	**$743,452**	**$791,213**	**96.5%**	**$83.12**	**$88.46**
Avg PEPM Enrollment	**745**							

Admin Fees	Employee
Administration	$5.34

Claim Expenses	
Estimated Claim Factor	$86.13

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



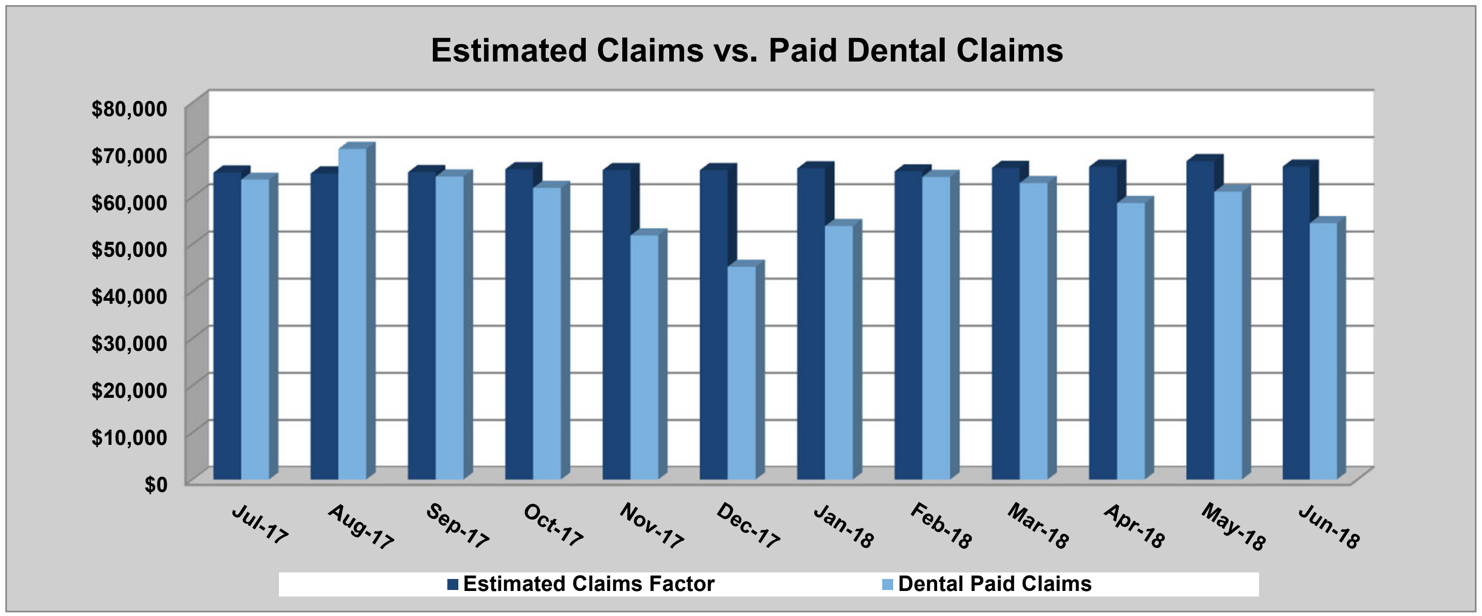
City of Surprise
Metlife Dental Self Funded Paid Claims
Plan Year: July 2017 to June 2018

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

Admin Fees	Employee
Administration	$4.85

Claim Expenses	
Estimated Claim Factor	$90.73

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



City of Surprise
MetLife Dental Claims
Plan Year: July 2018 to June 2019 (as of June 2019)

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

Cost Categories	2017/2018 Costs	PEPM Costs	2018/2019 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Dental Claims	$712,298	$81.74	$743,452	$83.12	4.4%	$31,154	1.7%	$1.38
Admin Fees	$42,263	$4.85	$47,761	$5.34	13.0%	$5,498	10.1%	$0.49
Total Costs	**$754,561**	**$86.59**	**$791,213**	**$88.46**	**4.9%**	**$36,652**	**2.2%**	**$1.87**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,714	8,944	2.6%	230

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	**$88.46**	**2.2%**

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

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

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

Vision Reports

City of Surprise

Avesis Vision Self Funded Paid Claims

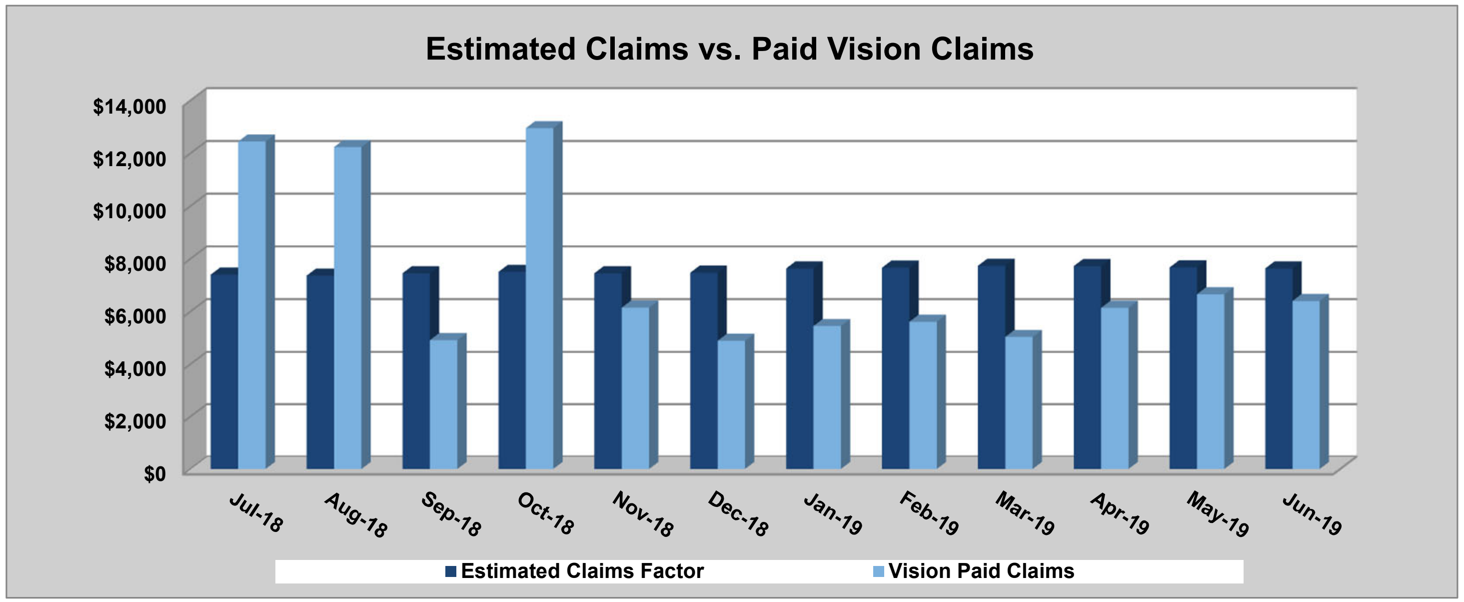
Plan Year: July 2018 to June 2019 (as of June 2019)

Avesis Vision						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Vision Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Vision Paid Claims PEPM	Total Plan Costs PEPM
Jul-18	736	$7,404	$702	$12,450	$13,152	168.1%	$16.92	$17.87
Aug-18	732	$7,364	$695	$12,241	$12,936	166.2%	$16.72	$17.67
Sep-18	741	$7,454	$713	$4,917	$5,630	66.0%	$6.64	$7.60
Oct-18	746	$7,505	$709	$12,958	$13,666	172.7%	$17.37	$18.32
Nov-18	741	$7,454	$704	$6,150	$6,853	82.5%	$8.30	$9.25
Dec-18	743	$7,475	$706	$4,891	$5,596	65.4%	$6.58	$7.53
Jan-19	759	$7,636	$721	$5,451	$6,172	71.4%	$7.18	$8.13
Feb-19	762	$7,666	$724	$5,612	$6,335	73.2%	$7.36	$8.31
Mar-19	769	$7,736	$731	$5,039	$5,769	65.1%	$6.55	$7.50
Apr-19	768	$7,726	$730	$6,142	$6,871	79.5%	$8.00	$8.95
May-19	763	$7,676	$725	$6,659	$7,384	86.8%	$8.73	$9.68
Jun-19	759	$7,636	$721	$6,403	$7,124	83.9%	$8.44	$9.39
Total	**9,019**	**$90,731**	**$8,579**	**$88,909**	**$97,488**	**98.0%**	**$9.86**	**$10.81**
Avg Enrollment	752							

Admin Fees	Employee
Administration	$0.95

Claim Expenses	
Estimated Claim Factor	$10.06

Premium Equivalent Rates	
EE	Family
$4.98	$14.10



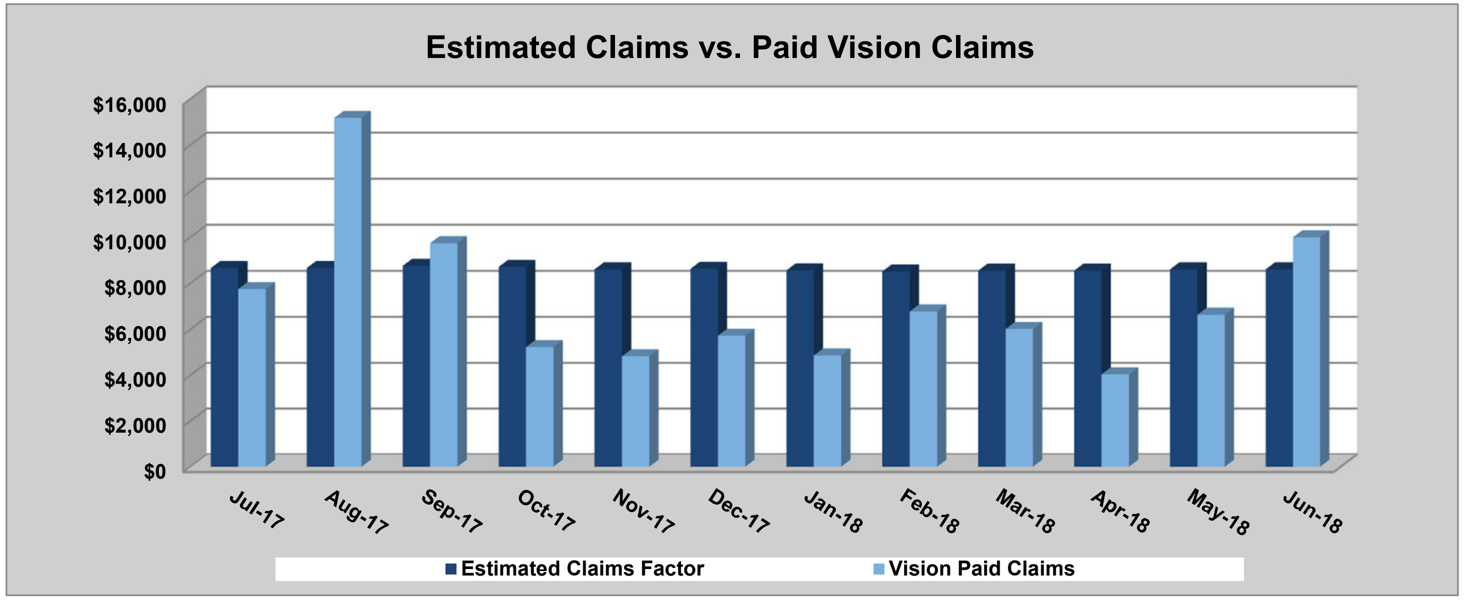
City of Surprise
Avesis Vision Self Funded Paid Claims
Plan Year: July 2017 to June 2018

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

Admin Fees	Employee
Administration	$0.95

Claim Expenses	
Estimated Claim Factor	$11.61

Premium Equivalent Rates	
EE	Family
$4.98	$14.10



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

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

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

Cost Categories	2017/2018 Costs	PEPM Costs	2018/2019 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Vision Claims	$86,735	$9.74	$83,909	$9.30	-3.3%	($2,826)	-4.5%	($0.44)
Admin Fees	$8,460	$0.95	$8,579	$0.95	1.4%	$120	0.1%	$0.00
Total Costs	**$95,194**	**$10.69**	**$92,488**	**$10.25**	**-2.8%**	**($2,706)**	**-4.1%**	**($0.44)**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,904	9,019	1.3%	115

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	**$10.25**	**-4.1%**

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

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

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

City of Surprise PBM Summary

January 1, 2019 – June 30, 2019

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

BCBS Optum	Modeled Projection	Prior Calendar Year - 2018
$66.07	$61.67	$44.16 – Results thru March, 2018
		$54.57 – Results thru June, 2018 (includes 1st Q rebates)
		$55.73 – Results thru Sep, 2018 (includes 1st and 2nd Q rebates)
		$54.45 – Results thru Dec, 2018 (includes 1st, 2nd and 3rd Q rebates
		$50.49 – Results thru Dec, 2018 (includes 1st, 2nd, 3rd and 4th Q rebates

BCBS Optum	Modeled Projection	Current 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)

Your PMPM trend is lower than the overall Optum book of business and your actual PMPM is less than half of the Optum book of business PMPM.

Projected Rebates (CY 19 - 12 months) - $451,000

Projected Rebates Per Quarter - $112,000

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 Stop Loss Review
July 1, 2017 thru June 30, 2019

Estimated Stop Loss Premium	BCBS $250K	BCBS $250K
	2017-18	2018-19
Estimated Annual Enrollees	715	715
Contract Type	12/24	12/24
Annual Spec Deductible	$250,000	$250,000
Spec Mo Pemium	$65.92	$72.45
Total Monthly Spec Premium	$47,133	$51,802
Total Annual Spec Premium	$565,594	$621,621
% Increase/Decrease		10%
Large Claims*	$263,789	$577,066
Loss Ratio	47%	93%

** 2017-18 includes run-out claims through Sept. between $125K - $250K*

** 2018-19 Includes stop loss reimbursements through 6/30 with no run-out*

CBIZ

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: August 28, 2019	Contact Person: Nick Sarpy, ACCOUNTING MGR
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 FY2019 4th Quarter.

Motion:
None; Presentation and discussion only

Background:
Staff will be presenting the city's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund financial report for FY2019 4th Quarter. This report contains unaudited financial activity through June 30, 2019 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

City of Surprise, Arizona
Employee Healthcare Self Insurance Fund and Workers' Compensation Fund
June 30, 2019

	Employee Healthcare Trust Fund	Worker's Compensation Trust Fund
ASSETS		
Current assets:		
Cash and investments	$ 7,847,978	$ 1,768,116
Other Receivables	120,916	$ -
Prepaid services	2,888	-
Total current assets	7,971,782	1,768,116
Noncurrent assets:		
Net OPEB asset	273	187
Total noncurrent assets	273	187
Total assets	7,972,055	1,768,303
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension related	17,654	12,123
Deferred outflows of resources - OPEB related	1,111	763
Total deferred outflows of resources	18,765	12,886
Total assets and deferred outflows of resources	7,990,820	1,781,189
LIABILITIES		
Current liabilities:		
Accounts payable	3,866	13,920
Accrued payroll and benefits	38	2,706
Compensated absences payable, due in less than one year	2,767	775
Claims payable	651,296	-
Claims - incurred but not reported (IBNR)	794,325	-
Total current liabilities	1,452,292	17,401
Noncurrent liabilities:		
Compensated absences payable, greater than one year	3,821	1,070
Net pension liability	103,773	71,259
Net OPEB liability	390	268
Total noncurrent liabilities	107,984	72,597
Total liabilities	1,560,276	89,998
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension related	12,268	8,425
Deferred inflow of resources - OPEB related	834	573
Total deferred inflows of resources	13,102	8,998
Total liabilities and deferred inflows of resources	1,573,378	98,996
NET POSITION		
Restricted for:		
Committed - Industrial Commission Reserve	-	1,500,000
Committed - Adverse Claims Contingency Reserve	2,966,836	-
Unrestricted	3,450,606	182,193
Total net position	$ 6,417,442	$ 1,682,193

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, 2019

	F2019 Fourth Quarter Budget	FY 2019 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	$ 2,237,000	$ 2,221,443	$ (15,557)	(0.7%)
Dental	219,400	229,886	10,486	4.8%
Vision	23,600	24,143	543	2.3%
City Contributions				
Medical	8,866,200	9,151,234	285,034	3.2%
Dental	596,000	614,085	18,085	3.0%
Vision	79,900	81,052	1,152	1.4%
Cobra contributions	72,600	105,160	32,560	44.8%
Subrogation recovery	-	52,125	52,125	-
Wellness reimbursement	38,000	38,001	1	0.0%
Pharmacy rebate	-	392,891	392,891	-
Premium holiday	-	100,000	100,000	-
Interest revenue	39,200	97,050	57,850	147.6%
Total operating revenues	12,171,900	13,107,070	935,170	-
OPERATING EXPENSES				
Personnel (Wages/Benefits)	109,300	101,993	7,307	6.7%
Wellness	39,500	41,376	(1,876)	(4.7%)
Books & subscriptions	500	92	408	81.6%
Special event hosting	500	837	(337)	(67.4%)
Administration				
Medical	514,000	425,056	88,944	17.3%
Medical stop loss	639,300	620,869	18,431	2.9%
Dental	52,000	47,761	4,239	8.2%
Vision	10,000	8,564	1,436	14.4%
Claims				
Medical	8,900,000	8,505,357	394,643	4.4%
Pharmacy	1,956,300	1,809,369	146,931	7.5%
Dental	835,000	755,414	79,586	9.5%
Vision	102,000	91,094	10,906	10.7%
Professional outside services	138,700	76,470	62,230	44.9%
Travel & training	5,000	3,569	1,431	28.6%
Dues & membership	1,000	1,401	(401)	(40.1%)
Limited purpose flex spending	10,000	10,083	(83)	(0.8%)
Federal medical insurance fees	-	3,848	(3,848)	-
Total operating expenses	13,313,100	12,503,153	809,947	-
Change in net position	$ (1,141,200)	$ 603,917	$ 1,745,117	

City of Surprise, Arizona - Workers' Compensation
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual
For the quarter ended June 30, 2019

	FY2019 Fourth Quarter Budget	FY2019 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
City Contributions				
Worker's comp	$ 974,100	$ 776,586	$ (197,514)	-20.28%
Subrogation recovery	-	13,932	13,932	-
Interest revenue	-	39,343	39,343	-
Total operating revenues	974,100	829,861	(144,239)	-14.81%
OPERATING EXPENSES				
Personnel (Wages/Benefits)	72,800	141,569	(68,769)	-94.46%
Administration	190,000	186,151	3,849	2.03%
Claims	450,000	228,980	221,020	49.12%
Software license	32,800	59,750	(26,950)	-82.16%
Other professional services	36,000	37,936	(1,936)	-5.38%
Total operating expenses	781,600	654,386	127,214	16.28%
Operating income (loss)	192,500	175,475	(271,453)	
Change in net position	$ 192,500	$ 175,475	$ (17,025)	

Employee Health Care Activity

Claims History By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2015	1,905,717	1,554,732	1,514,176	2,097,553	7,072,177
2016	2,373,980	2,113,362	2,126,861	2,009,323	8,623,526
2017	2,204,559	2,264,867	2,279,337	2,399,667	9,148,430
2018	2,291,479	1,718,879	2,406,320	3,150,781	9,567,459
2019	3,087,680	2,846,207	2,532,388	2,694,959	11,161,234

Net Income (loss) By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2011	591,534	106,929	(56,025)	(686,620)	(44,182)
2012	332,131	149,411	247,381	661,520	1,390,443
2013	16,895	(54,412)	230,444	141,651	334,578
2014	(234,698)	(15,706)	379,451	286,192	415,239
2015	228,710	581,048	479,021	(126,609)	1,162,170
2016	(86,664)	136,362	236,399	464,872	750,969
2017	220,138	114,900	181,472	299,561	816,071
2018	303,160	921,525	249,104	(335,885)	1,137,904
2019	(405,664)	(110,601)	533,198	586,984	603,917

Stop Loss Credits

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2016	239,598	-	125,147	154,069	518,814
2017	82,468	2,704	57,925	84,505	227,602
2018	184,073	325	463	9,762	194,623
2019	81,233	166,349	41,167	261,062	549,811

FY2019 IBNR
Medical, Dental and Vision Activity

	Medical	Dental	Vision	Total
July	313,056.48	17,214.90	3,561.00	333,832.38
August	115,921.40	3,137.90	-	119,059.30
September	116,787.67	850.00	-	117,637.67
October	92,320.17	177.00	-	92,497.17
November	7,981.28	73.44	-	8,054.72
December	8,548.13	-	-	8,548.13
January	9,385.35	-	-	9,385.35
February	18,484.71	-	-	18,484.71
March	24,782.22	-	-	24,782.22
April	2,541.71			2,541.71
May	4,421.67			4,421.67
June	4,929.78			4,929.78
Total FY 2018 Claims Run out	719,160.57	21,453.24	3,561.00	744,174.81

FY2019 IBNR	586,950.00
Total Run Out Claims FY2018	(744,174.81)
Medical Claim Adjustment - Revenue to Fund	(157,224.81)

CITY OF SURPRISE
Health Benefits Trust Fund Board

SURPRISE
ARIZONA

Council Meeting Date: August 28, 2019

Contact Person: Andrea Davis, DIRECTOR - FINANCE, Bretton Jeziorski

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

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

Agenda Wording:
Discuss how premiums are set and administered.

Motion:
None, discussion only

Background:
During the June 5, 2019 Health Benefits Trust Fund Board meeting Board member Renee Pastor requested that there be a discussion regarding how premiums are evaluated and administered.

Objective Analysis:

Policy Compliant:

Financial Impact:
This item has no fiscal impact, it is discussion only.

Budget Impact:
This item has no budgetary impact, it is for discussion only.

FTE Impact:

ATTACHMENTS:
1. City of Surprise Funding Projection for the 2019-20 Plan Year vF FINAL

City of Surprise

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

Completed January 15, 2019

With updated data through October 2018

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

Table of Contents

Section 1: Executive Summary

City of Surprise

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

Section I

1. Current Enrollment (October 2018)

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

2. Current 2018-19 Client Budget Rates

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

3. Forecasted Rate Action

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

4. Forecasted 2019-20 Funding Rates

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

5. Key Assumptions and Observations

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

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

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

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

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

f. Fixed costs:

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

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

[2] 125% aggregate corridor

g. Rebates were considered in the Rx forecast.

6. Reasonableness Test — Projected Claims Compared to Historical Claims

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

7. Dental

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

8. Vision

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

Section II: Add EPO

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

Enrollment

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

Premiums

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

Rate Action Relative to Current **0.87%**

4 Tier Adjustment

Enrollment

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

Premiums

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

Rate Action Relative to Current **0.87%**

Section 2: Projections to Develop Premium Equivalent Rates

City of Surprise

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

— Medical Claims Projection —

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

2. Assumptions

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

3. Algorithm

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

City of Surprise

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

— Pharmacy Claims Projection —

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

2. Assumptions

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

3. Algorithm

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

City of Surprise

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

— Medical/Pharmacy Rate Change —

1. Current Enrollment (October 2018)

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

2. Current 2018-19 Client Budget Rates

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

3. Total Funding Current Structure

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

4. Percent Change in Funding Rates

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

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

5. Projected 2019-20 Rates

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

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

City of Surprise

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

— Dental Claims Projection —

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

2. Assumptions

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

3. Algorithm

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

City of Surprise

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

— Dental Rate Change —

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

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

2. Current 2018-19 Client Budget Rates

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

3. Total Funding Current Structure

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

4. Percent Change in Funding Rates

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

5. Projected 2019-20 Rates

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

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

City of Surprise

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

— Vision Claims Projection —

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

2. Assumptions

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

3. Algorithm

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

City of Surprise

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

— Vision Rate Change —

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

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

2. Current 2018-19 Client Budget Rates

	Vision
Employee Only	$4.98
Employee + Family	$14.10

3. Total Funding Current Structure

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

4. Percent Change in Funding Rates

Current PEPM Funding:	$11.72
Projected PEPM Funding:	$12.15
Calculated Rate Action:	**3.59%**
Recommended Rate Action:	**3.59%**

Vision Claims	Vision Admin
$11.20	$0.95
$11.20	$0.95

5. Projected 2019-20 Rates

	Vision
Employee Only	$5.16
Employee + Family	$14.61

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

Section 3: Fixed Costs

City of Surprise

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

— Fixed Cost Estimates —

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

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

2 125% aggregate corridor

Section 4: Claims and Enrollment Data

City of Surprise

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

— Claims and Enrollment Data —

* Paid claims basis

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

* Unadjusted (Includes claimants exceeding $250K) *

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

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

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

— High Cost Claimants >$125,000 —

Experience Period 1

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

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

Experience Period 2

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

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

BlueCross BlueShield of Arizona

An Independent Licensee of the Blue Cross and Blue Shield Association

Claims Exhibit

City of Surprise - 023348

Claims Paid Month: October 2018

11/7/2018

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

Minimum Monthly Attachment Point: $861,521

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

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

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

Note:

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

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

RxTrack®

CONFIDENTIAL

RXT1110DM - CAG Utilization Summary

Date Filled From January 2018 Through October 2018

Client: City of Surprise

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

$56.08

City of Surprise PBM Summary

January 1, 2018 – June 30, 2018

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

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

*includes rebates for first quarter only.

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

Rebate Recap

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

Projected Rebates Per Quarter - $105,000

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

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

CITY OF SURPRISE

Dental - Monthly

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

Vision Enrollment

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

CITY OF SURPRISE
Health Benefits Trust Fund Board

Council Meeting Date: August 28, 2019
Submitting Department: Finance
Staff Recommendations: None

Contact Person:
District: Citywide

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

Agenda Wording:

Consideration and action pertaining to placing items on a future agenda.

Motion:

Discussion only

Background:

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

Objective Analysis:

Policy Compliant:

Financial Impact:

N/A

Budget Impact:

N/A

FTE Impact:

ATTACHMENTS: