



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
 Wednesday, December 4, 2024 @ 4:00 PM
COUNCIL CHAMBERS

- A. Call To Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Current Events and Reports
- E. Staff Reports
- F. Health Benefits Trust Fund Board Agenda

CALL TO THE PUBLIC:

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

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

CONSENT AGENDA:

- | | | | |
|----|----------|--|-------------------------|
| 1. | Citywide | Consideration and action pertaining to approval of the August 28, 2024 Health Benefits Trust Fund Board meeting minutes. | Andrea Davis
Finance |
|----|----------|--|-------------------------|

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- | | | | |
|----|----------|---|-------------------------|
| 2. | Citywide | Presentation and discussion pertaining to CBIZ Consulting FY2025 1st Quarter Report. | Donna Meuse
Finance |
| 3. | Citywide | Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2024 4th Quarter and FY2025 1st Quarter. | Andrea Davis
Finance |
| 4. | Citywide | Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar for 2025. | Andrea Davis
Finance |
| 5. | Internal | Consideration and action to elect a Chairperson and Vice-Chairperson for the Health Benefits Trust Fund Board. | Andrea Davis
Finance |
| 6. | Internal | Consideration and action pertaining to approval of a settlement in the amount of \$140,000, which includes loss of earning capacity benefits set-aside fully funded and self-administered, in exchange for, and subject to, the waiver of all Worker's Compensation claims and benefits to the extent allowed by law. | Human Resources |

- G. Health Benefits Trust Fund Board Agenda:

EXECUTIVE SESSION:

For information Purposes; Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, but for only the following purposes:

- discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- discussion or consideration of records exempt by law from public inspection (A.R.S. §38-401.03 (A)(2));
- discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (a)(4));
- discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- discussion, consultation or consideration for international and interstate negotiations or for negotiations by a city or town, or its designated representatives, with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city or town. A.R.S. §38-401.03 (A)(6).
- discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

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 by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.

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

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

KRISTI PASSARELLI, CITY CLERK

POSTED: Wednesday, November 27th, 2024 @ 10:00 AM

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



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 4, 2024

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations:

Consent: Yes

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to approval of the August 28, 2024 Health Benefits Trust Fund Board meeting minutes.

Motion:

I move to approve the August 28, 2024 Health Benefits Trust Fund Board meeting minutes.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

No financial impact.

Budget Impact:

No budget impact.

FTE Impact:

No FTE impact.

ATTACHMENTS:

1. HBTF MINUTES 08.28.24 DRAFT
-

CITY OF SURPRISE

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

August 28, 2024

MEETING MINUTES

CALL TO ORDER

Vice Chairperson William Coniam called the Health Benefits Trust Fund Meeting to order at 4:03 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, August 28, 2024.

ROLL CALL

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

STAFF PRESENT:

Donna Meuse, Human Resources Director; Paige Gearhart, Human Resources Manager; Jenna Klidas, Financial Analyst – Senior; Heather Lira, Financial Analyst; Erick Martin, Assistant Director – Finance; Julie Ralls, Accountant – Senior; Laura Roybal, Administrative Services Assistant.

PLEDGE OF ALLEGIANCE

CURRENT EVENTS REPORT

None

STAFF REPORT

None

CALL TO THE PUBLIC

None

CONSENT AGENDA

Item 1: Consideration and action pertaining to the approval of the June 5, 2024 Health Benefits Trust Fund Board Meeting Minutes.

- Board Member Barb Minick made a motion to approve the minutes for the June 5, 2024 meeting. Board Member Andrea Davis seconded the motion. Motion passed.

REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING

Item 2: Presentation and discussion pertaining to CBIZ Consulting FY2024 4th Quarter Report.

- Mike Barberio presented CBIZ Consulting's FY2024 4th Quarter Report, as well as the city's pharmacy spend and rebate summary.
- Board member Barb Minick again requested additional pharmacy cost information (i.e. how much of the pharmacy increase we are experiencing is related to inflation versus the cost of utilization). CBIZ stated they will provide this information at the next meeting.

OTHER BUSINESS

EXECUTIVE SESSION

No executive session was held.

ADJOURNMENT

Board Member Minick made a motion to adjourn the meeting. Council Member Andrea Davis seconded the motion. Motion passed. Hearing no further business, Vice Chair Coniam adjourned the Health Benefits Trust Fund meeting at 4:33 p.m.

Renee Pastor, Chair
Health Benefits Trust Fund Board



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 4, 2024

Contact Person: Donna Meuse, Human Resources Director

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

Consent: No

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to CBIZ Consulting FY2025 1st Quarter Report.

Motion:

None: Discussion Only

Background:

CBIZ Consulting will present the 1st Quarter self-funded medical, dental, and vision report for plan year FY2025 for the City. This report contains financial information and claims activity.

Objective Analysis:

Policy Compliant:

Financial Impact:

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

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. City of Surprise Medical, Dental & Vision Experience 09 24 (updated 11.22)
-



City of Surprise

Medical, Pharmacy, Dental & Vision Experience

Plan Year: July 2024 – June 2025

Month End: September 2024

Presented by your CBIZ Team

Mike Barberio, Melissa Barbakoff, and Lindsey Steinhoff





Executive Summary

Medical and Pharmacy

The following report details claims paid during the first quarter of the new plan year beginning July 2024. For the FY2025 plan year, CVS will serve as the pharmacy administrator through the Employer's Health Coalition, alongside the PaydHealth Select Drugs and Products Program. Please note that rebates for Plan Year 2025 have not yet been factored in, which will reduce the City's overall liability. CBIZ estimates that the City of Surprise will receive approximately \$1.3 million in rebates for FY2025. This rebate amount is projected to be lower than FY2024 due to the implementation of the PaydHealth specialty program. Under this program, a portion of brand and specialty drug claims, which would typically generate rebate credits, will be removed from the plan, impacting the overall rebate total.

Expected claims through the first quarter have come in at 75.4% and 64.8% for maximum claims liability. Average covered lives have increased to 987 lives from 921 this time last year, a 7.1% increase. There are two large claims that over the \$100,000 threshold. Claimant 1 is at 81% of the individual stop loss deductible and is a known large claimant that will exceed stop loss. Claimant #2 was a large claimant in the FY2022 policy period. Large claims over \$100,000 represent 9.4% of overall spend. For comparison purposes, last year in the first quarter there were no large claims over \$100,000.

Claims Spend & Loss Ratio by Plan Design:

- HMO -42% of total claims, 79.3% loss ratio
- PPO – 39% of total claims, 79.9% loss ratio
- EPO – 19% of total claims, 56.2% loss ratio

Enrollment by Plan:

- **HMO – 3% increase in enrollment in the HMO plan**
 - 2024 - 347
 - 2023 - 337
 - 2022 - 346
- **PPO – 5.4% increase in enrollment in the PPO plan**
 - 2024 - 354
 - 2023 - 336
 - 2022 - 300
- **EPO – 8.8% increase in enrollment in the EPO plan**
 - 2024 - 285
 - 2023 - 262
 - 2022 - 210

Prior Plan Year – 12 month Run Out Period

Prior paid claims and administration section of the report shows that gross run out claims through September was \$1,151,880, after rebates and stop loss recoveries that amount drops to \$631,278. Pharmacy rebates were applied in September in the amount of \$430,420. The prior plan year with claims through the first quarter preformed at 91.6% of expected.

Annual Cost Comparison

One the Annual Cost Comparison slide, the grid all the way the right-hand side or as seen below illustrates the year over year total cost history increase or decrease. The CBIZ analytics team is projecting total costs for PY25 to be 3.8% lower than PY24. This number is very immature and can fluctuate over the plan year. Currently, medical claims which include a completion factor and escalator load are coming in 7.5% higher over the PY24 plan year and pharmacy claims are 13.4% higher than the PY24 plan year. Medical and pharmacy claims have been adjusted for the enrollment increase.

City of Surprise

Plan Year: July 2024 to June 2025 (as of September 2024)

Annual Cost Comparison Analysis

Incurred and Paid - 2023/2024 vs. 2024/2025

Cost Categories	2023/2024 with Runout	PEPM Costs	2024/2025 Estimated Annual	PEPM Costs	% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change	PEPM Total Cost History		Increase/Decrease
Medical Claims Costs*	\$11,799,910	\$1,035.72	\$13,181,022	\$1,113.26	11.70%	\$1,381,113	7.5%	\$77.55	2014/2015	\$1,079.93	
Rx Claims Costs	\$4,644,959	\$407.70	\$5,473,561	\$462.29	17.84%	\$828,602	13.4%	\$54.59	2015/2016	\$1,160.82	7.5%
PaidHealth Rx Savings			\$160,815	\$13.58					2016/2017	\$1,202.07	3.6%
Rx Rebates	(\$1,542,060)	(\$135.35)	(\$1,300,000)	(\$109.80)	-15.70%	\$242,060	-18.9%	\$25.55	2017/2018	\$1,151.77	-4.2%
Blue Card, Capitation Expenses, Misc and Value Based Services	\$154,731	\$13.58	\$143,596	\$12.13	-7.20%	(\$11,135)	-10.7%	(\$1.45)	2018/2019	\$1,200.23	4.2%
Stop Loss Recoveries	(\$618,590)	(\$54.30)	\$0	\$0.00	n/a	\$618,590	n/a	\$54.30	2019/2020	\$1,201.50	0.1%
Admin Fees	\$1,675,068	\$147.03	\$1,832,090	\$154.74	9.37%	\$157,022	5.2%	\$7.71	2020/2021	\$1,178.50	-1.9%
Total Costs	\$16,114,018	\$1,414.38	\$19,491,085	\$1,646.21	21.0%	\$3,377,067	16.4%	\$231.83	2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,420.82	10.2%
									2023/2024	\$1,414.38	-0.5%
									2024/2025 (Est.)	\$1,646.21	16.4%

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	11,393	11,840	3.92%	447

*2023/2024 Medical Claims Costs includes actual run out

**2024/2025 Rx Claims Costs includes an escalator load for participants who have not met deductibles and an 8% completion factor



Dental

Dental claims are performing as expected. Dental claims tend to be higher in the first and second quarter but then tend to normalize. The current loss ratio through September is 124.2%, for the same period last year it was 113.9%. Through September the dental paid claims per employee, per month (PEPM) is \$112.10, compared to last year at \$101.95.

Vision

Vision claims utilization is much higher than they have been in prior years. Vision claims in the first quarter are at 189.2%. Last year's claims in the first quarter had a 107% loss ratio. Normally the first quarter runs at a higher loss ratio and then utilization tapers off.



City of Surprise
Paid Claims and Administration
Plan Year: July 2024 to June 2025 (as of September 2024)
Incurred and Paid

BlueCross BlueShield of Arizona and CVS Caremark Rx- All Plans														Loss Ratio		PEPM Costs					
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	PaydHealth Rx Savings	CVS Rx Rebates & Performance Guarantees	Blue Card Claims Expense & Misc.	Capitation Fees	Value Based Services	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims & Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Paid Claims Net Stop Loss Reimbursement PEPM	Total Claims & Fees PEPM
Jul-24	983	\$ 1,499,705	\$ 1,743,219	\$ 421,596	\$ 279,644	\$ 6,942	\$ -	\$ 1,709	\$ 8,058	\$ 2,153	\$ -	\$ 720,103	\$ 152,107	\$ 872,210	48.0%	41.3%	\$ 441.01	\$ 291.54	\$ 732.56	\$ 732.56	\$ 887.29
Aug-24	985	\$ 1,501,983	\$ 1,746,347	\$ 1,020,116	\$ 368,847	\$ 13,050	\$ -	\$ 1,838	\$ 8,063	\$ 2,128	\$ -	\$ 1,414,042	\$ 152,417	\$ 1,566,459	94.1%	81.0%	\$ 1,047.86	\$ 387.71	\$ 1,435.58	\$ 1,435.58	\$ 1,590.31
Sep-24	992	\$ 1,509,507	\$ 1,755,359	\$ 905,336	\$ 328,930	\$ 20,212	\$ -	\$ 1,793	\$ 7,967	\$ 2,190	\$ -	\$ 1,266,428	\$ 153,498	\$ 1,419,926	83.9%	72.1%	\$ 924.68	\$ 351.96	\$ 1,276.64	\$ 1,276.64	\$ 1,431.38
Oct-24																					
Nov-24																					
Dec-24																					
Jan-25																					
Feb-25																					
Mar-25																					
Apr-25																					
May-25																					
Jun-25																					
Total	2,960	\$ 4,511,195	\$ 5,244,925	\$ 2,347,048	\$ 977,422	\$ 40,204	\$ -	\$ 5,340	\$ 24,088	\$ 6,471	\$ -	\$ 3,400,573	\$ 458,023	\$ 3,858,595	75.4%	64.8%	\$ 805.05	\$ 330.21	\$ 1,148.84	\$ 1,148.84	\$ 1,303.58
Avg	987																				

Administrative Fees	PPO Plan			HMO Plan			EPO Plan		
	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Administration	\$57.44	\$57.44	\$57.44	\$57.44	\$57.44	\$57.44	\$57.44	\$57.44	\$57.44
Specific Stoploss 12/24 \$250,000 ISL	\$92.55	\$92.55	\$92.55	\$92.55	\$92.55	\$92.55	\$92.55	\$92.55	\$92.55
Aggregate Stoploss (125%)	\$5.10	\$5.10	\$5.10	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55
Total Admin Fees	\$155.09	\$155.09	\$155.09	\$154.54	\$154.54	\$154.54	\$154.54	\$154.54	\$154.54

Claim Expenses	PPO Plan			HMO Plan			EPO Plan		
	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Expected Liability	\$650.15	\$1,456.55	\$2,101.68	\$678.30	\$1,512.49	\$2,179.86	\$599.01	\$1,353.55	\$1,957.16
Maximum Liability (ICAP)	\$884.66	\$1,760.08	\$2,460.42	\$892.21	\$1,775.30	\$2,481.79	\$751.22	\$1,494.76	\$2,089.63



City of Surprise
Paid Claims and Administration
Plan Year: July 2024 to June 2025 (as of September 2024)
Incurred and Paid

BlueCross BlueShield of Arizona & CVS Caremark Rx - PPO Plan										Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-24	353	\$ 535,130	\$ 644,070	\$ 118,326	\$ 93,161	\$ -	\$ 211,487	\$ 54,747	\$ 266,234	39.5%	32.8%	\$335.20	\$263.91	\$599.11	\$754.20
Aug-24	355	\$ 538,527	\$ 648,115	\$ 465,011	\$ 78,223	\$ -	\$ 543,234	\$ 55,057	\$ 598,291	100.9%	83.8%	\$1,309.89	\$220.35	\$1,530.24	\$1,685.33
Sep-24	354	\$ 540,941	\$ 650,557	\$ 403,854	\$ 131,886	\$ -	\$ 535,739	\$ 54,902	\$ 590,641	99.0%	82.4%	\$1,140.83	\$372.56	\$1,513.39	\$1,668.48
Oct-24															
Nov-24															
Dec-24															
Jan-25															
Feb-25															
Mar-25															
Apr-25															
May-25															
Jun-25															
Total	1,062	\$ 1,614,599	\$ 1,942,742	\$ 987,191	\$ 303,270	\$ -	\$ 1,290,461	\$ 164,706	\$ 1,455,167	79.9%	66.4%	\$929.56	\$285.56	\$1,215.12	\$1,370.21
Avg	354														

Administrative Fees	PPO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	\$57.44	\$57.44	\$57.44
Specific Stoploss 12/24 \$250,000 ISL	\$92.55	\$92.55	\$92.55
Aggregate Stoploss (125%)	\$5.10	\$5.10	\$5.10
Total Admin Fees	\$155.09	\$155.09	\$155.09

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	\$650.15	\$1,456.55	\$2,101.68
Maximum Liability (ICAP)	\$884.66	\$1,760.08	\$2,460.42

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	110	73	170	353
August	111	72	172	355
September	107	74	173	354
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	328	219	515	1,062

City of Surprise
Paid Claims and Administration
Plan Year: July 2024 to June 2025 (as of September 2024)
Incurred and Paid

BlueCross BlueShield of Arizona & CVS Caremark Rx - HMO Plan										Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-24	346	\$ 582,886	\$ 677,310	\$ 230,700	\$ 122,815	\$ -	\$ 353,515	\$ 53,471	\$ 406,986	60.6%	52.2%	\$666.76	\$354.96	\$1,021.72	\$1,176.26
Aug-24	347	\$ 585,233	\$ 679,968	\$ 442,752	\$ 190,061	\$ -	\$ 632,813	\$ 53,625	\$ 686,438	108.1%	93.1%	\$1,275.94	\$547.73	\$1,823.67	\$1,978.21
Sep-24	349	\$ 588,258	\$ 683,519	\$ 271,456	\$ 135,099	\$ -	\$ 406,555	\$ 53,934	\$ 460,489	69.1%	59.5%	\$777.81	\$387.10	\$1,164.91	\$1,319.45
Oct-24															
Nov-24															
Dec-24															
Jan-25															
Feb-25															
Mar-25															
Apr-25															
May-25															
Jun-25															
Total	1,042	\$ 1,756,377	\$ 2,040,797	\$ 944,908	\$ 447,975	\$ -	\$ 1,392,883	\$ 161,031	\$ 1,553,914	79.3%	68.3%	\$906.82	\$429.92	\$1,336.74	\$1,491.28
Avg	347														

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	\$57.44	\$57.44	\$57.44
Specific Stoploss 12/24 \$250,000 ISL	\$92.55	\$92.55	\$92.55
Aggregate Stoploss (125%)	\$4.55	\$4.55	\$4.55
Total Admin Fees	\$154.54	\$154.54	\$154.54

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	\$678.30	\$1,512.49	\$2,179.86
Maximum Liability (ICAP)	\$892.21	\$1,775.30	\$2,481.79

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	79	79	188	346
August	78	81	188	347
September	78	83	188	349
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	235	243	564	1,042

City of Surprise
Paid Claims and Administration
Plan Year: July 2024 to June 2025 (as of September 2024)
Incurred and Paid

BlueCross BlueShield of Arizona & CVS Caremark Rx - EPO Plan										Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-24	284	\$ 381,689	\$ 421,840	\$ 72,570	\$ 63,668	\$ -	\$ 136,238	\$ 43,889	\$ 180,127	35.7%	32.3%	\$255.53	\$224.18	\$479.71	\$634.25
Aug-24	283	\$ 378,223	\$ 418,263	\$ 112,353	\$ 100,563	\$ -	\$ 212,915	\$ 43,735	\$ 256,650	56.3%	50.9%	\$397.01	\$355.35	\$752.35	\$906.89
Sep-24	289	\$ 380,308	\$ 421,283	\$ 230,026	\$ 61,946	\$ -	\$ 291,972	\$ 44,662	\$ 336,634	76.8%	69.3%	\$795.94	\$214.35	\$1,010.28	\$1,164.82
Oct-24															
Nov-24															
Dec-24															
Jan-25															
Feb-25															
Mar-25															
Apr-25															
May-25															
Jun-25															
Total	856	\$ 1,140,220	\$ 1,261,386	\$ 414,949	\$ 226,177	\$ -	\$ 641,126	\$ 132,286	\$ 773,412	56.2%	50.8%	\$484.75	\$264.23	\$748.98	\$903.52
Avg	285														

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	\$57.44	\$57.44	\$57.44
Specific Stoploss 12/24 \$250,000 ISL	\$92.55	\$92.55	\$92.55
Aggregate Stoploss (125%)	\$4.55	\$4.55	\$4.55
Total Admin Fees	\$154.54	\$154.54	\$154.54

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	\$599.01	\$1,353.55	\$1,957.16
Maximum Liability (ICAP)	\$751.22	\$1,494.76	\$2,089.63

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	102	59	123	284
August	104	57	122	283
September	112	55	122	289
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	318	171	367	856

City of Surprise
Paid Claims and Administration
Plan Year: July 2023 to June 2024
Incurred and Paid

BlueCross BlueShield of Arizona and Optum Rx- All Plans														Loss Ratio		PEPM Costs				
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates & Performance Guarantees	Blue Card Claims Expense & Misc.	Capitation Fees	Value Based Services	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims & Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Paid Claims Net Stop Loss Reimbursement PEPM	Total Claims & Fees PEPM
Jul-23	914	\$ 1,302,975	\$ 1,476,250	\$ 285,090	\$ 308,604	\$ -	\$ 1,549	\$ 7,507	\$ -	\$ -	\$ 602,750	\$ 134,384	\$ 737,134	46.3%	40.8%	\$321.82	\$337.64	\$659.46	\$659.46	\$806.49
Aug-23	920	\$ 1,311,270	\$ 1,485,268	\$ 880,685	\$ 392,501	\$ -	\$ 2,205	\$ 7,515	\$ 3,296	\$ -	\$ 1,286,202	\$ 135,266	\$ 1,421,467	98.1%	86.6%	\$971.41	\$426.63	\$1,398.05	\$1,398.05	\$1,545.07
Sep-23	929	\$ 1,322,515	\$ 1,497,799	\$ 744,727	\$ 364,831	\$ -	\$ 2,979	\$ 7,551	\$ 1,630	\$ -	\$ 1,121,719	\$ 136,588	\$ 1,258,306	84.8%	74.9%	\$814.73	\$392.71	\$1,207.45	\$1,207.45	\$1,354.47
Oct-23	932	\$ 1,328,013	\$ 1,504,163	\$ 1,224,363	\$ 334,637	\$ -	\$ 2,474	\$ 7,583	\$ 1,569	\$ -	\$ 1,570,626	\$ 137,030	\$ 1,707,656	118.3%	104.4%	\$1,326.17	\$359.05	\$1,685.22	\$1,685.22	\$1,832.25
Nov-23	946	\$ 1,347,849	\$ 1,525,754	\$ 1,239,627	\$ 416,335	\$ -	\$ 4,948	\$ 7,712	\$ 1,352	\$ (149,866)	\$ 1,520,109	\$ 139,086	\$ 1,659,195	112.8%	99.6%	\$1,325.20	\$440.10	\$1,765.30	\$1,606.88	\$1,753.91
Dec-23	953	\$ 1,352,708	\$ 1,531,307	\$ 683,033	\$ 356,274	\$ -	\$ 6,226	\$ 7,715	\$ 2,118	\$ -	\$ 1,055,366	\$ 140,113	\$ 1,195,479	78.0%	68.9%	\$733.57	\$373.84	\$1,107.41	\$1,107.41	\$1,254.44
Jan-24	948	\$ 1,348,558	\$ 1,526,313	\$ 761,724	\$ 404,634	\$ (329,160)	\$ 2,299	\$ 7,723	\$ -	\$ (52)	\$ 847,168	\$ 139,380	\$ 986,548	62.8%	55.5%	\$814.08	\$426.83	\$893.69	\$893.64	\$1,040.66
Feb-24	959	\$ 1,360,003	\$ 1,539,642	\$ 643,329	\$ 366,796	\$ -	\$ 2,703	\$ 7,753	\$ 4,072	\$ (462)	\$ 1,024,190	\$ 140,996	\$ 1,165,186	75.3%	66.5%	\$685.98	\$382.48	\$1,068.46	\$1,067.98	\$1,215.00
Mar-24	958	\$ 1,360,159	\$ 1,540,464	\$ 874,283	\$ 379,876	\$ -	\$ 2,192	\$ 7,732	\$ 2,270	\$ (198,900)	\$ 1,067,454	\$ 140,851	\$ 1,208,305	78.5%	69.3%	\$925.34	\$396.53	\$1,321.87	\$1,114.25	\$1,261.28
Apr-24	975	\$ 1,380,958	\$ 1,564,182	\$ 970,571	\$ 373,929	\$ (358,965)	\$ 2,051	\$ 7,870	\$ 2,105	\$ (712)	\$ 996,849	\$ 143,351	\$ 1,140,200	72.2%	63.7%	\$1,007.79	\$383.52	\$1,023.14	\$1,022.41	\$1,169.44
May-24	974	\$ 1,379,161	\$ 1,561,936	\$ 1,112,587	\$ 495,982	\$ -	\$ 2,056	\$ 7,858	\$ 2,032	\$ (34,423)	\$ 1,586,093	\$ 143,204	\$ 1,729,296	115.0%	101.5%	\$1,154.55	\$509.22	\$1,663.77	\$1,628.43	\$1,775.46
Jun-24	985	\$ 1,395,491	\$ 1,579,781	\$ 1,228,011	\$ 448,664	\$ (396,965)	\$ 4,976	\$ 7,911	\$ 1,840	\$ (138,740)	\$ 1,155,698	\$ 144,820	\$ 1,300,517	82.8%	73.2%	\$1,261.66	\$455.50	\$1,314.15	\$1,173.30	\$1,320.32
Total	11,393	\$ 16,189,658	\$ 18,332,859	\$ 10,648,030	\$ 4,643,063	\$ (1,085,090)	\$ 36,659	\$ 92,430	\$ 22,286	\$ (523,156)	\$ 13,834,222	\$ 1,675,068	\$ 15,509,290	85.5%	75.5%	\$947.90	\$407.54	\$1,260.19	\$1,214.27	\$1,361.30
Avg	949																			

BCBS and Optum Rx Runout							
Month	Paid Medical	Paid Rx	Optum Rx Rebates*	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery	Total Paid Claims
Jul-24	\$ 715,609	\$ 1,658		\$ 1,271	\$ 9	\$ (16,930)	\$ 701,617
Aug-24	\$ 288,590	\$ 238		\$ 2,136	\$ 21	\$ (78,440)	\$ 212,545
Sep-24	\$ 147,680	\$ -	\$ (430,420)	\$ (42)	\$ (38)	\$ (64)	\$ (282,884)
Oct-24							\$ -
Nov-24							\$ -
Dec-24							\$ -
Jan-25							\$ -
Feb-25							\$ -
Mar-25							\$ -
Apr-25							\$ -
May-25							\$ -
Jun-25							\$ -
Total	\$ 1,151,880	\$ 1,897	\$ (430,420)	\$ 3,365	\$ (9)	\$ (95,435)	\$ 631,278

2023-2024 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
\$ 15,084,090	\$ (618,590)	\$ 14,465,500	\$ 1,675,068	\$ 16,140,568	89.4%	78.9%	\$ 1,416.71

City of Surprise
Plan Year: July 2024 to June 2025 (as of September 2024)
Annual Cost Comparison Analysis

Incurred and Paid - 2023/2024 vs. 2024/2025

Cost Categories	2023/2024 with Runout	PEPM Costs	2024/2025 Estimated Annual	PEPM Costs	% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change	PEPM Total Cost History		Increase/Decrease
									2014/2015	2015/2016	
Medical Claims Costs*	\$11,799,910	\$1,035.72	\$13,181,022	\$1,113.26	11.70%	\$1,381,113	7.5%	\$77.55	2014/2015	\$1,079.93	
Rx Claims Costs	\$4,644,959	\$407.70	\$5,473,561	\$462.29	17.84%	\$828,602	13.4%	\$54.59	2015/2016	\$1,160.82	7.5%
PaydHealth Rx Savings			\$160,815	\$13.58					2016/2017	\$1,202.07	3.6%
Rx Rebates	(\$1,515,510)	(\$133.02)	(\$1,300,000)	(\$109.80)	-14.22%	\$215,510	-17.5%	\$23.22	2017/2018	\$1,151.77	-4.2%
Blue Card, Capitation Expenses, Misc and Value Based Services	\$154,731	\$13.58	\$143,596	\$12.13	-7.20%	(\$11,135)	-10.7%	(\$1.45)	2018/2019	\$1,200.23	4.2%
Stop Loss Recoveries	(\$618,590)	(\$54.30)	\$0	\$0.00	n/a	\$618,590	n/a	\$54.30	2019/2020	\$1,201.50	0.1%
Admin Fees	\$1,675,068	\$147.03	\$1,832,090	\$154.74	9.37%	\$157,022	5.2%	\$7.71	2020/2021	\$1,178.50	-1.9%
Total Costs	\$16,140,568	\$1,416.71	\$19,491,085	\$1,646.21	20.8%	\$3,350,517	16.2%	\$229.50	2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,420.82	10.2%
									2023/2024	\$1,416.71	-0.3%
									2024/2025 (Est.)	\$1,646.21	16.2%

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	11,393	11,840	3.92%	447

*2023/2024 Medical Claims Costs includes actual run out

**2024/2025 Rx Claims Costs includes an escalator load for participants who have not met deductibles and an 8% completion factor

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

Cost Categories	2022/2023 with Runout	PEPM Costs	2023/2024 with Runout	PEPM Costs	% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change	PEPM Total Cost History		Increase/Decrease
									2014/2015	2015/2016	
Medical Claims Costs*	\$11,645,212	\$1,110.76	\$11,799,910	\$1,035.72	1.33%	\$154,698	-6.8%	(\$75.04)	2014/2015	\$1,079.93	
Rx Claims Costs	\$3,417,768	\$326.00	\$4,644,959	\$407.70	35.91%	\$1,227,191	25.1%	\$81.70	2015/2016	\$1,160.82	7.5%
Rx Rebates	(\$1,080,711)	(\$103.08)	(\$1,515,510)	(\$133.02)	40.23%	(\$434,799)	29.0%	(\$29.94)	2016/2017	\$1,202.07	3.6%
Blue Card, Capitation Expenses, Misc and Value Based Services	\$134,509	\$12.83	\$154,731	\$13.58	15.03%	\$20,222	5.9%	\$0.75	2017/2018	\$1,151.77	-4.2%
Stop Loss Recoveries	(\$753,712)	(\$71.89)	(\$618,590)	(\$54.30)	n/a	\$135,121	n/a	\$17.60	2018/2019	\$1,200.23	4.2%
Admin Fees	\$1,532,803	\$146.20	\$1,675,068	\$147.03	9.28%	\$142,265	0.6%	\$0.82	2019/2020	\$1,201.50	0.1%
Total Costs	\$14,895,870	\$1,420.82	\$16,140,568	\$1,416.71	8.4%	\$1,244,698	-0.3%	(\$4.11)	2020/2021	\$1,178.50	-1.9%
									2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,420.82	10.2%
									2023/2024	\$1,416.71	-0.3%
									2024/2025 (Est.)	\$1,646.21	16.2%

	Annual	Annual	% Enrollment Change	# Enrollment Change
Enrollment	10,484	11,393	8.67%	909

City of Surprise

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

Plan Year: July 2024 to June 2025 (as of September 2024)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Month	Previous Month's YTD Paid Claims	Change from Prior Month's Claims	% of \$250K ISL Limit	Net Paid after SL Reimbursements
1	F005	Y	Active	PPO	\$202,562	\$0	\$202,562	\$201,934	\$629	81.0%	\$202,562
2	D014	Y	Active	PPO	\$109,366	\$0	\$109,366	\$0	\$109,366	43.7%	\$109,366

Total	\$311,928	\$0	\$311,928	\$201,934	\$109,995	\$311,928
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Percentage of Large Claims vs. Medical & Rx Claims	9.4%
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Green highlight denotes new claimant in the current quarter.

City of Surprise

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

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

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Month	Previous Month's YTD Paid Claims	Change from Prior Month's Claims	% of \$250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
1	F005	Y	Active	PPO	\$678,483	\$0	\$678,483	\$678,483	\$0	100.0%	(\$428,483)	\$250,000
2	F001	Y	Active	HMO	\$376,720	\$0	\$376,720	\$376,720	\$0	100.0%	(\$126,720)	\$250,000
3	F002	Y	Active	HMO	\$287,612	\$40	\$287,652	\$287,652	\$0	100.0%	(\$37,652)	\$250,000
4	A007	Y	Active	HMO	\$4,543	\$260,434	\$264,978	\$264,914	\$64	100.0%	(\$14,978)	\$250,000
5	E004	Y	Active	PPO	\$5,344	\$255,415	\$260,759	\$260,759	\$0	100.0%	(\$10,759)	\$250,000
6	C006	Y	Active	EPO	\$1,142	\$244,349	\$245,491	\$245,427	\$64	98.2%		\$245,491
7	G004	N	Active	PPO	\$216,644	\$26,296	\$242,940	\$242,940	\$0	97.2%		\$242,940
8	G009	N	Active	HMO	\$200,396	\$24,018	\$224,414	\$224,302	\$111	89.8%		\$224,414
9	G007	N	Termed	HMO	\$0	\$214,818	\$214,818	\$214,818	\$0	85.9%		\$214,818
10	G001	N	Active	PPO	\$209,717	\$6	\$209,724	\$209,724	\$0	83.9%		\$209,724
11	E002	Y	Active	PPO	\$209,237	\$0	\$209,237	\$208,810	\$427	83.7%		\$209,237
12	G010	N	Active	HMO	\$178,340	\$0	\$178,340	\$178,340	\$0	71.3%		\$178,340
13	G003	N	Active	EPO	\$164,586	\$254	\$164,839	\$164,839	\$0	65.9%		\$164,839
14	C014	Y	Active	PPO	\$782	\$145,569	\$146,350	\$146,350	\$0	58.5%		\$146,350
15	F004	Y	Active	HMO	\$1,169	\$134,295	\$135,464	\$135,464	\$0	54.2%		\$135,464
16	G014	N	Active	PPO	\$125,819	\$3,177	\$128,996		\$128,996	51.6%		\$128,996
17	G002	N	Active	EPO	\$126,186	\$0	\$126,186	\$126,186	\$0	50.5%		\$126,186
18	G008	N	Active	HMO	\$122,104	\$2,656	\$124,760	\$124,704	\$57	49.9%		\$124,760
19	G011	N	Active	PPO	\$743	\$112,319	\$113,062	\$113,062	\$0	45.2%		\$113,062
20	G006	N	Active	PPO	\$105,228	\$6,877	\$112,105	\$112,105	\$0	44.8%		\$112,105
21	G012	N	Active	EPO	\$444	\$105,107	\$105,551	\$105,551	\$0	42.2%		\$105,551
22	G005	N	Active	PPO	\$102,407	\$0	\$102,407	\$102,407	\$0	41.0%		\$102,407
23	G013	N	Termed	EPO	\$0	\$100,342	\$100,342	\$100,342	\$0	40.1%		\$100,342

Total	\$3,117,646	\$1,635,970	\$4,753,616	\$4,623,898	\$129,718
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(\$618,590)	\$4,135,026
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Percentage of Large Claims vs. Medical & Rx Claims	31.1%
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Green highlight denotes new claimant in the current quarter.



City of Surprise PBM Summary

January 1, 2024 – September 30, 2024

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

Prior Calendar Year – 2020

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

Prior Calendar Year – 2021

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

Prior Calendar Year – 2022

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

Prior Calendar Year – 2023

\$100.35 – Results thru March, 2023	(does not include 1 st Q rebates of \$266,865)
\$136.15 – Results thru June, 2023	(does not include 2 nd Q rebates of \$338,275)
\$138.85 – Results thru September, 2023	(does not include 3 rd Q rebates of \$329,160)
\$142.64 – Results thru December, 2023	(does not include 4 th Q rebates of \$358,965)

Current Calendar Year – 2024

\$144.99 – Results thru March, 2024	(does not include 1 st Q rebates of \$396,965)
\$162.95 – Results thru June, 2024	(does not include 2 nd Q rebates of \$430,420)
\$119.79 – Results thru September, 2024	(does not include estimated 3 rd Q rebates of \$300,000)

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

Projected Rebates (CY 24 - 12 months) - \$1,300,000

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

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



Dental Reports



City of Surprise

Delta Dental Self Funded Paid Claims

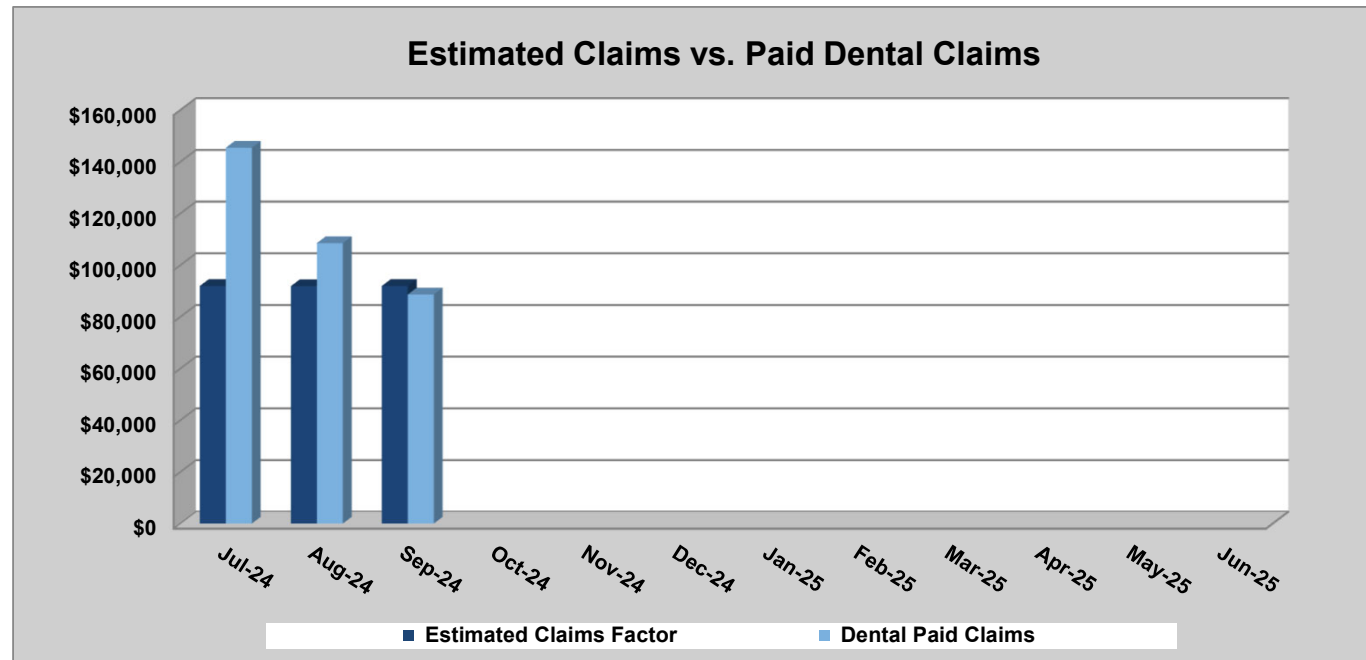
Plan Year: July 2024 to June 2025 (as of September 2024)

Delta Dental						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Dental Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Dental Paid Claims PEPM	Total Plan Costs PEPM
Jul-24	1,019	\$91,944	\$3,617	\$145,431	\$149,048	158.2%	\$142.72	\$146.27
Aug-24	1,018	\$91,854	\$3,614	\$108,525	\$112,139	118.1%	\$106.61	\$110.16
Sep-24	1,019	\$91,944	\$3,617	\$88,628	\$92,245	96.4%	\$86.98	\$90.53
Oct-24								
Nov-24								
Dec-24								
Jan-25								
Feb-25								
Mar-25								
Apr-25								
May-25								
Jun-25								
Total	3,056	\$275,743	\$10,849	\$342,584	\$353,432	124.2%	\$112.10	\$115.65
Avg PEPM Enrollment	1019							

Admin Fees	Employee
Administration	\$3.55

Claim Expenses	
Estimated Claim Factor	\$90.23

Premium Equivalent Rates		
EE	EE + 1	Family
\$39.40	\$79.28	\$129.86



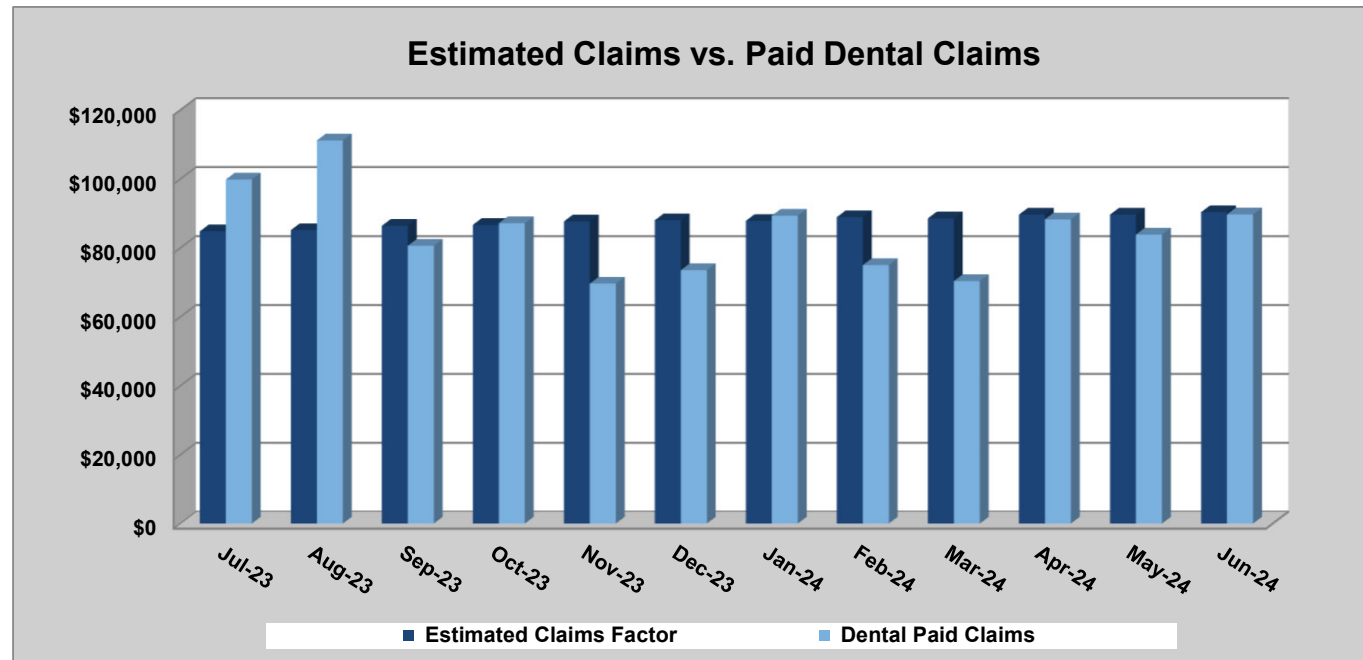
City of Surprise
Delta Dental Self Funded Paid Claims
 Plan Year: July 2023 to June 2024

Delta Dental						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Dental Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Dental Paid Claims PEPM	Total Plan Costs PEPM
Jul-23	947	\$84,794	\$3,362	\$99,836	\$103,198	117.7%	\$105.42	\$108.97
Aug-23	951	\$85,153	\$3,376	\$111,176	\$114,552	130.6%	\$116.90	\$120.45
Sep-23	965	\$86,406	\$3,426	\$80,602	\$84,028	93.3%	\$83.53	\$87.08
Oct-23	968	\$86,675	\$3,436	\$87,147	\$90,583	100.5%	\$90.03	\$93.58
Nov-23	979	\$87,660	\$3,475	\$69,626	\$73,101	79.4%	\$71.12	\$74.67
Dec-23	983	\$88,018	\$3,490	\$73,524	\$77,013	83.5%	\$74.80	\$78.35
Jan-24	981	\$87,839	\$3,483	\$89,328	\$92,810	101.7%	\$91.06	\$94.61
Feb-24	993	\$88,913	\$3,525	\$74,993	\$78,518	84.3%	\$75.52	\$79.07
Mar-24	989	\$88,555	\$3,511	\$70,355	\$73,866	79.4%	\$71.14	\$74.69
Apr-24	1001	\$89,630	\$3,554	\$88,269	\$91,822	98.5%	\$88.18	\$91.73
May-24	1001	\$89,630	\$3,554	\$83,873	\$87,427	93.6%	\$83.79	\$87.34
Jun-24	1009	\$90,346	\$3,582	\$89,724	\$93,306	99.3%	\$88.92	\$92.47
Total	11,767	\$1,053,617	\$41,773	\$1,018,451	\$1,060,224	96.7%	\$86.55	\$90.10
Avg PEPM Enrollment	981							

Admin Fees	Employee
Administration	\$3.55

Claim Expenses	
Estimated Claim Factor	\$89.54

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



City of Surprise Delta Dental Dental Claims

Plan Year: July 2024 to June 2025 (as of September 2024)

Annual Cost Comparison Analysis 2023/2024 vs. 2024/2025

Cost Categories	2023/2024 Annual Costs	PEPM Costs	2024/2025 Estimated Annual Costs	PEPM Costs
Dental Claims*	\$1,018,451	\$86.55	\$1,109,971	\$90.80
Admin Fees	\$41,773	\$3.55	\$43,395	\$3.55
Total Costs	\$1,060,224	\$90.10	\$1,153,366	\$94.35

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
9.0%	\$91,519	4.9%	\$4.25
3.9%	\$1,622	0.0%	\$0.00
8.8%	\$93,142	4.7%	\$4.25

PEPM Total Cost History		Increase/Decrease
2014/2015	\$75.97	
2015/2016	\$86.13	13.4%
2016/2017	\$85.96	-0.2%
2017/2018	\$86.59	0.7%
2018/2019	\$91.62	5.8%
2019/2020	\$68.78	-24.9%
2020/2021	\$86.85	26.3%
2021/2022	\$84.16	-3.1%
2022/2023	\$83.53	-0.7%
2023/2024	\$90.10	7.9%
2024/2025	\$94.35	4.7%

	Annual
Enrollment	11,767

Annualized
12,224

% Enrollment Change	# Enrollment Change
3.9%	457

*2024/2025 Dental claims may include load/decrement

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

Cost Categories	2022/2023 Annual Costs	PEPM Costs	2023/2024 Annual Costs	PEPM Costs
Dental Claims*	\$864,661	\$79.98	\$1,018,451	\$86.55
Admin Fees	\$38,390	\$3.55	\$41,773	\$3.55
Total Costs	\$903,051	\$83.53	\$1,060,224	\$90.10

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
17.8%	\$153,790	8.2%	\$6.57
8.8%	\$3,383	0.0%	(\$0.00)
17.4%	\$157,173	7.9%	\$6.57

Annual

Annual

% Enrollment Change	# Enrollment Change
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Vision Reports



City of Surprise

Avesis Vision Self Funded Paid Claims

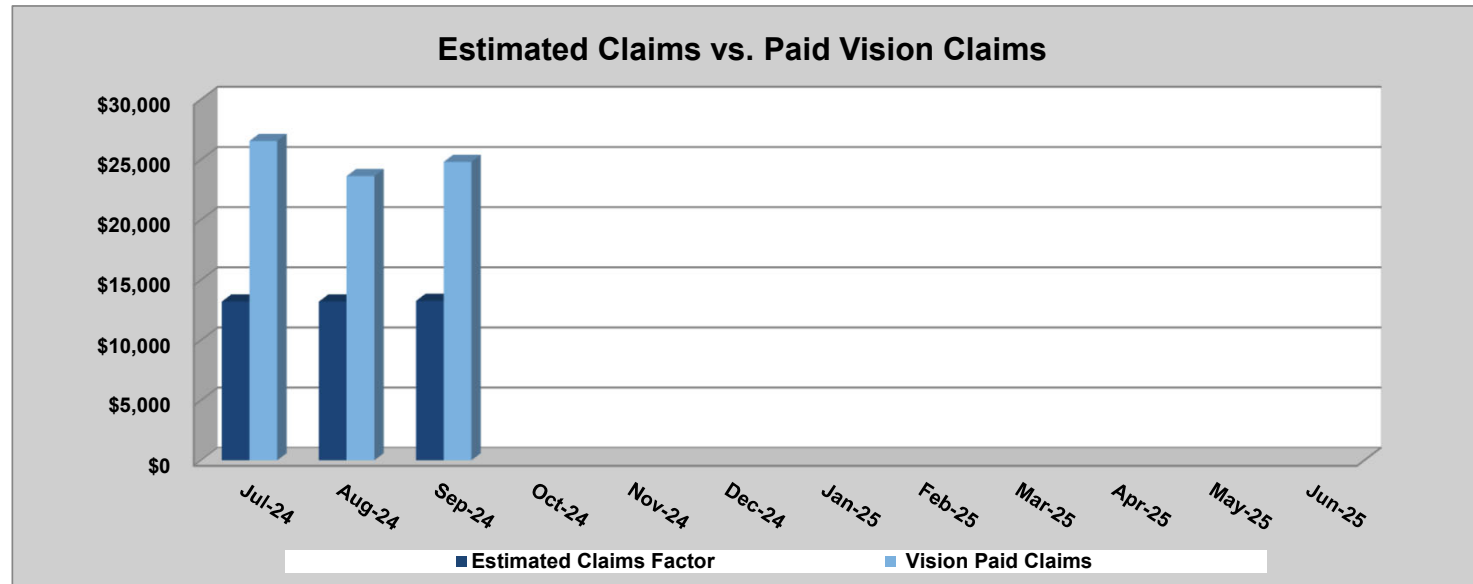
Plan Year: July 2024 to June 2025 (as of September 2024)

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-24	978	\$13,193	\$1,467	\$26,548	\$28,015	201.2%	\$27.14	\$28.64
Aug-24	978	\$13,193	\$1,467	\$23,620	\$25,087	179.0%	\$24.15	\$25.65
Sep-24	982	\$13,247	\$1,473	\$24,805	\$26,278	187.2%	\$25.26	\$26.76
Oct-24								
Nov-24								
Dec-24								
Jan-25								
Feb-25								
Mar-25								
Apr-25								
May-25								
Jun-25								
Total	2,938	\$39,634	\$4,407	\$74,972	\$79,379	189.2%	\$25.52	\$27.02
Avg Enrollment	979							

Admin Fees	Employee
Administration	\$1.50

Claim Expenses	
Estimated Claim Factor	\$13.49

Premium Equivalent Rates	
EE	Family
\$6.44	\$18.24



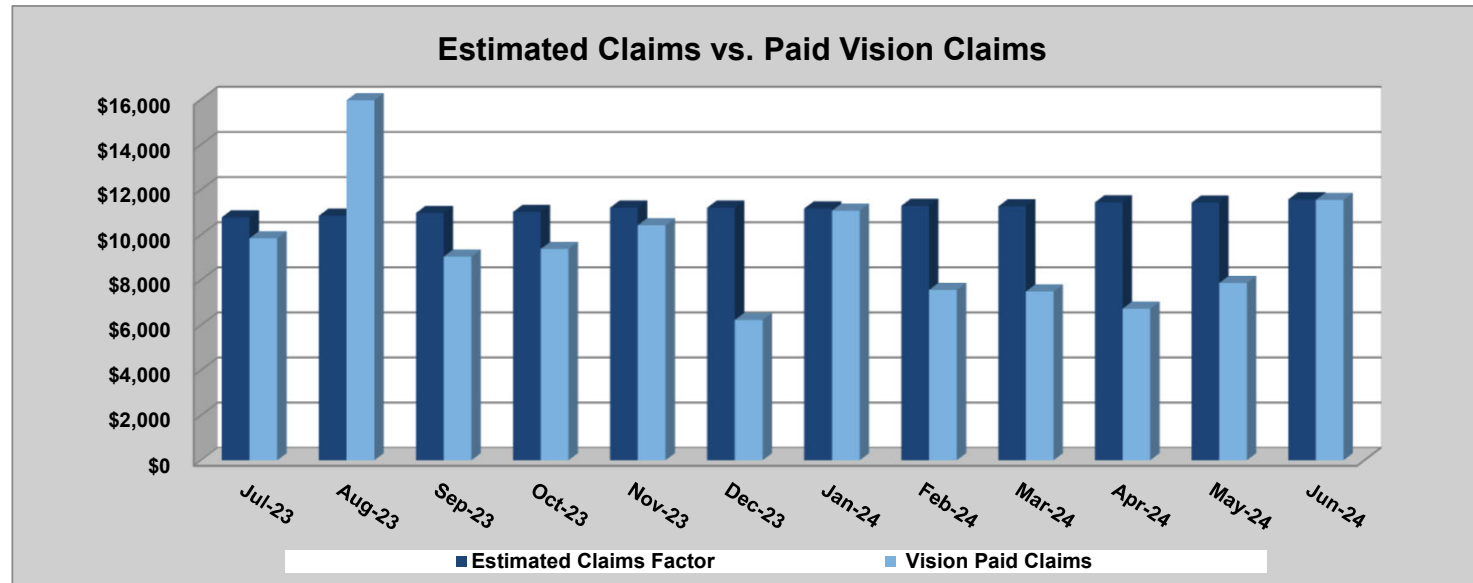
City of Surprise
Avesis Vision Self Funded Paid Claims
 Plan Year: July 2023 to June 2024

Avesis Vision						Loss Ratio	PEPM Costs	
Month	Enrollment	Estimated Claims Factor	Administrative Costs	Vision Paid Claims	Total Plan Costs	% Actual Claims vs. Estimated Claims Factor	Vision Paid Claims PEPM	Total Plan Costs PEPM
Jul-23	909	\$10,772	\$864	\$9,840	\$10,704	91.4%	\$10.83	\$11.78
Aug-23	915	\$10,843	\$869	\$15,964	\$16,833	147.2%	\$17.45	\$18.40
Sep-23	925	\$10,961	\$879	\$9,026	\$9,905	82.3%	\$9.76	\$10.71
Oct-23	929	\$11,009	\$883	\$9,368	\$10,251	85.1%	\$10.08	\$11.03
Nov-23	945	\$11,198	\$898	\$10,418	\$11,315	93.0%	\$11.02	\$11.97
Dec-23	945	\$11,198	\$898	\$6,222	\$7,120	55.6%	\$6.58	\$7.53
Jan-24	942	\$11,163	\$895	\$11,069	\$11,964	99.2%	\$11.75	\$12.70
Feb-24	952	\$11,281	\$904	\$7,552	\$8,456	66.9%	\$7.93	\$8.88
Mar-24	950	\$11,258	\$903	\$7,483	\$8,386	66.5%	\$7.88	\$8.83
Apr-24	965	\$11,435	\$917	\$6,719	\$7,635	58.8%	\$6.96	\$7.91
May-24	964	\$11,423	\$916	\$7,860	\$8,776	68.8%	\$8.15	\$9.10
Jun-24	976	\$11,566	\$927	\$11,544	\$12,471	99.8%	\$11.83	\$12.78
Total	11,317	\$134,106	\$10,751	\$113,063	\$123,814	84.3%	\$9.99	\$10.94
Avg Enrollment	943							

Admin Fees	Employee
Administration	\$0.95

Claim Expenses	
Estimated Claim Factor	\$11.85

Premium Equivalent Rates	
EE	Family
\$5.04	\$14.30



City of Surprise
Avesis Vision Claims
Plan Year: July 2024 to June 2025 (as of September 2024)

Annual Cost Comparison Analysis 2023/2024 vs. 2024/2025

Cost Categories	2023/2024 Annual Costs	PEPM Costs	2024/2025 Estimated Annual Costs	PEPM Costs
Vision Claims	\$113,063	\$9.99	\$161,940	\$13.78
Admin Fees	\$10,751	\$0.95	\$17,628	\$1.50
Total Costs	\$123,814	\$10.94	\$179,568	\$15.28

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
43.2%	\$48,877	37.9%	\$3.79
64.0%	\$6,877	57.9%	\$0.55
45.0%	\$55,754	39.7%	\$4.34

PEPM Total Cost History		Increase/Decrease
2014/2015	\$9.09	
2015/2016	\$10.33	13.6%
2016/2017	\$10.42	0.9%
2017/2018	\$10.69	2.6%
2018/2019	\$10.81	1.1%
2019/2020	\$9.87	-8.7%
2020/2021	\$11.53	16.8%
2021/2022	\$11.54	0.1%
2022/2023	\$9.46	-18.1%
2023/2024	\$10.94	15.7%
2024/2025	\$15.28	39.7%

	Annual
Enrollment	11,317

Annualized
11,752

% Enrollment Change	# Enrollment Change
3.8%	435

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

Cost Categories	2022/2023 Costs	PEPM Costs	2023/2024 Annual Costs	PEPM Costs
Vision Claims	\$88,588	\$8.51	\$113,063	\$9.99
Admin Fees	\$9,891	\$0.95	\$10,751	\$0.95
Total Costs	\$98,479	\$9.46	\$123,814	\$10.94

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
27.6%	\$24,476	17.4%	\$1.48
8.7%	\$860	0.0%	\$0.00
25.7%	\$25,335	15.7%	\$1.48

	Annual
Enrollment	10,412

Annual
11,317

% Enrollment Change	# Enrollment Change
8.7%	905



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 4, 2024

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2024 4th Quarter and FY2025 1st Quarter.

Motion:

None; Presentation and discussion only.

Background:

Staff will be presenting the city's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund financial report for FY2024 4th Quarter and FY2025 1st Quarter. This report contains unaudited financial activity through June 30, 2024 and September 30, 2024 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. 1st Quarter Self Insurance Fund FY25
 2. 4th Quarter Self Insurance Fund_
-

City of Surprise, Arizona

Employee Healthcare Trust Fund and Workers' Compensation Fund

September 30, 2024

	Employee Healthcare Trust Fund	Workers' Compensation Trust Fund
ASSETS		
Current assets:		
Cash and investments	\$ 7,966,771	\$ 4,111,739
Other Receivables	-	-
Prepaid services	270	-
Total current assets	<u>7,967,041</u>	<u>4,111,739</u>
Noncurrent assets:		
Net OPEB asset	<u>3,699</u>	<u>3,221</u>
Total noncurrent assets	<u>3,699</u>	<u>3,221</u>
Total assets	<u>7,970,740</u>	<u>4,114,960</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension related	16,404	14,288
Deferred outflows of resources - OPEB related	556	484
Total deferred outflows of resources	<u>16,960</u>	<u>14,772</u>
Total assets and deferred outflows of resources	<u>7,987,700</u>	<u>4,129,732</u>
LIABILITIES		
Current liabilities:		
Accounts payable	-	-
Claims payable	-	-
Accrued payroll and benefits	2,293	2,283
Compensated absences payable, due in less than one year	3,424	15,877
Claims - incurred but not reported (IBNR)	1,591,500	772,400
Total current liabilities	<u>1,597,217</u>	<u>790,560</u>
Noncurrent liabilities:		
Compensated absences payable, greater than one year	5,356	24,833
Net pension liability	108,571	94,559
Net OPEB liability	89	77
Total noncurrent liabilities	<u>114,016</u>	<u>119,469</u>
Total liabilities	<u>1,711,233</u>	<u>910,029</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension related	4,343	3,782
Deferred inflow of resources - OPEB related	1,842	1,605
Total deferred inflows of resources	<u>6,185</u>	<u>5,387</u>
Total liabilities and deferred inflows of resources	<u>1,717,418</u>	<u>915,416</u>
NET POSITION		
Restricted for:		
Committed - Industrial Commission Reserve	-	1,500,000
Committed - Adverse Claims Contingency Reserve	3,703,608	-
Unrestricted	2,566,674	1,714,316
Total net position	<u>\$ 6,270,282</u>	<u>\$ 3,214,316</u>

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget to Actual

Employee Healthcare Trust Fund

For the quarter ended September 30, 2024

	First Quarter Budget	FY 2025 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	\$ 818,000	\$ 796,686	\$ (21,314)	(2.6%)
Dental	89,275	83,168	(6,107)	(6.8%)
Vision	11,550	11,165	(385)	(3.3%)
City Contributions			-	-
Medical	4,246,075	4,135,724	(110,351)	(2.6%)
Dental	208,950	197,827	(11,123)	(5.3%)
Vision	33,325	32,165	(1,160)	(3.5%)
Cobra contributions	81,725	66,965	(14,760)	(18.1%)
Subrogation recovery	10,000	64	(9,936)	(99.4%)
Wellness reimbursement	32,750	3,022	(29,728)	(90.8%)
Pharmacy rebate	324,575	149,841	(174,734)	(53.8%)
Miscellaneous Revenue	-	8,873	8,873	-
Prior Year Recovery	-	16	16	-
Interest revenue	32,400	-	(32,400)	(100.0%)
Total operating revenues	<u>5,888,625</u>	<u>5,485,516</u>	<u>(403,109)</u>	<u>(6.8%)</u>
OPERATING EXPENSES				
Personnel (Wages/Benefits)	50,225	59,031	(8,806)	(17.5%)
Wellness				
Work/life balance	23,700	13,883	9,817	41.4%
Books & subscriptions	54	-	54	100.0%
Special event hosting	109	-	109	100.0%
Administration				
Medical	126,263	291,021	(164,758)	(130.5%)
Medical stop loss	212,489	478,149	(265,660)	(125.0%)
Dental	8,015	10,796	(2,781)	(34.7%)
Vision	3,275	4,430	(1,155)	(35.3%)
Claims				
Medical	2,677,159	3,439,315	(762,156)	(28.5%)
Pharmacy	903,362	1,079,399	(176,037)	(19.5%)
Dental	211,928	342,584	(130,656)	(61.7%)
Vision	31,407	74,972	(43,565)	(138.7%)
Professional outside services	22,217	49,029	(26,812)	(120.7%)
Travel & training	724	-	724	100.0%
Dues & membership	72	-	72	100.0%
Limited purpose flex spending	2,641	7,416	(4,775)	(180.8%)
Federal medical insurance fees	1,683	-	1,683	100.0%
Total operating expenses	<u>4,275,322</u>	<u>5,850,025</u>	<u>(1,574,703)</u>	<u>(36.8%)</u>
Operating income (loss)	<u>1,613,303</u>	<u>(364,509)</u>	<u>(1,977,812)</u>	
NONOPERATING REVENUES				
(EXPENSES)				
Total nonoperating revenues (expenses)	-	-	-	-
Income (loss) before contributions and transfers	1,613,303	(364,509)	(1,977,812)	
Change in net position	<u>\$ 1,613,303</u>	<u>\$ (364,509)</u>	<u>\$ (1,977,812)</u>	

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget to Actual

Workers' Compensation Fund

For the quarter ended September 30, 2024

	First Quarter Budget	FY 2025 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
City Contributions				
Worker's comp	\$ 326,775	\$ 326,775	\$ -	0.0%
Recovery of PY	-	1,184	1,184	100.0%
Total operating revenues	<u>326,775</u>	<u>327,959</u>	<u>1,184</u>	<u>0.4%</u>
OPERATING EXPENSES				
Personnel (Wages/Benefits)	36,250	36,603	(353)	(1.0%)
Administration			-	-
Claim Settlement	181,599	312,808	(131,209)	(72.3%)
Municipal Firefighters Cancer	179,801	398,674	(218,873)	(121.7%)
Software license	16,182	-	16,182	100.0%
Taxes, Charges, Service Fees	12,946	-	12,946	100.0%
Other professional services	30,566	8,202	22,364	73.2%
Total operating expenses	<u>457,344</u>	<u>756,287</u>	<u>(298,943)</u>	<u>(65.4%)</u>
Operating income (loss)	<u>(130,569)</u>	<u>(428,328)</u>	<u>(297,759)</u>	
Income (loss) before contributions and transfers	<u>(130,569)</u>	<u>(428,328)</u>	<u>(297,759)</u>	
Transfers in	-	-	-	-
Change in net position	<u>\$ (130,569)</u>	<u>\$ (428,328)</u>	<u>\$ (297,759)</u>	

Employee Health Care Activity

Claims Medical History By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2023	4,156,131	3,117,159	3,650,996	3,848,228	14,772,514
2024	3,868,396	4,651,388	3,587,787	4,578,507	16,686,078
2025	4,518,714				4,518,714

Net Income (loss) By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2023	(892,576)	28,909	1,060,353	(587,412)	(390,726)
2024	107,832	(401,422)	1,109,574	(817,971)	(1,987)
2025	(364,509)				(364,509)

Stop Loss Credits

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2023	127,225	14,271	57,429	455,120	654,046
2024	219,325	149,866	199,528	173,875	742,595

Pharmacy Rebate by Fiscal Year

	HMO		PPO		EPO		Total By Year
	90216211		90216214		90216215		
2018	\$ 111,392	\$	101,497	\$	-	\$	212,889
2019	264,706		240,185		-		504,891
2020	363,076		161,800		72,213		597,089
2021	300,178		99,161		52,092		451,431
2022	295,845		110,840		82,668		489,353
2023	553,282		274,223		225,233		1,052,739
2024	704,294		480,724		371,454		1,556,472
2025	71,793		45,532		32,516		149,841
Total By Plan	\$ 2,664,566	\$	1,513,961	\$	836,176	\$	5,014,704

FY2025 IBNR
Medical, Dental and Vision Activity

	Medical	Dental	Vision	Total
July	\$ 699,959	\$ 31,883	\$ 3,785	\$ 735,627
August	212,307	5,420	130	217,857
September	147,536	989	(59)	148,465
Total FY 2024 Claims Run out	\$ 1,059,802	\$ 38,292	\$ 3,856	\$ 1,101,949
 IBNR Valuation as of June 30, 2025	 \$ 1,540,000 (480,198)	 \$ 47,300 (9,008)	 \$ 4,200 (344)	
 FY2024 IBNR		 \$ 1,591,500		
Total Run Out Claims FY2025		<u>(1,101,949)</u>		
Medical Claim Adjustment - Revenue to Fund		<u>\$ 489,551</u>		

City of Surprise, Arizona

Employee Healthcare Trust Fund and Workers' Compensation Fund

June 30, 2024

	Employee Healthcare Trust Fund	Workers' Compensation Trust Fund
ASSETS		
Current assets:		
Cash and investments	\$ 9,621,877	\$ 4,620,120
Other Receivables	345,832	-
Prepaid services	270	-
Total current assets	<u>9,967,979</u>	<u>4,620,120</u>
Noncurrent assets:		
Net OPEB asset	3,698	3,221
Total noncurrent assets	<u>3,698</u>	<u>3,221</u>
Total assets	<u>9,971,677</u>	<u>4,623,341</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension related	16,404	14,287
Deferred outflows of resources - OPEB related	556	484
Total deferred outflows of resources	<u>16,960</u>	<u>14,771</u>
Total assets and deferred outflows of resources	<u>9,988,637</u>	<u>4,638,112</u>
LIABILITIES		
Current liabilities:		
Accounts payable	545,261	8,350
Claims payable	1,212,437	96,848
Accrued payroll and benefits	3,440	-
Compensated absences payable, due in less than one year	3,424	15,877
Claims payable	-	-
Claims - incurred but not reported (IBNR)	1,591,500	772,400
Total current liabilities	<u>3,356,062</u>	<u>893,475</u>
Noncurrent liabilities:		
Compensated absences payable, greater than one year	5,356	24,833
Net pension liability	108,571	94,559
Net OPEB liability	89	77
Total noncurrent liabilities	<u>114,016</u>	<u>119,469</u>
Total liabilities	<u>3,470,078</u>	<u>1,012,944</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension related	4,343	3,782
Deferred inflow of resources - OPEB related	1,842	1,605
Total deferred inflows of resources	<u>6,185</u>	<u>5,387</u>
Total liabilities and deferred inflows of resources	<u>3,476,263</u>	<u>1,018,331</u>
NET POSITION		
Restricted for:		
Committed - Industrial Commission Reserve	-	1,500,000
Committed - Adverse Claims Contingency Reserve	3,703,608	-
Unrestricted	2,808,765	2,119,781
Total net position	<u>\$ 6,512,373</u>	<u>\$ 3,619,781</u>

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget to Actual

Employee Healthcare Trust Fund

For the quarter ended June 30, 2024

	Fourth Quarter Budget	FY 2024 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	\$ 2,896,400	\$ 2,935,349	\$ 38,949	1.3%
Dental	313,400	316,501	3,101	1.0%
Vision	32,500	33,037	537	1.7%
City Contributions				
Medical	14,229,000	13,546,718	(682,282)	(4.8%)
Dental	739,000	753,860	14,860	2.0%
Vision	94,700	96,439	1,739	1.8%
Cobra contributions	243,400	302,688	59,288	24.4%
Subrogation recovery	40,000	2,998	(37,002)	(92.5%)
Wellness reimbursement	143,500	28,530	(114,970)	(80.1%)
Pharmacy rebate	989,900	1,556,472	566,572	57.2%
Miscellaneous Revenue	-	188	188	-
Prior Year Recovery	-	87,618	87,618	-
Interest revenue	25,000	205,197	180,197	720.8%
Total operating revenues	<u>19,746,800</u>	<u>19,865,595</u>	<u>118,795</u>	<u>0.6%</u>
OPERATING EXPENSES				
Personnel (Wages/Benefits)	128,100	129,512	(1,412)	(1.1%)
Wellness				
Work/life balance	143,500	27,579	115,921	80.8%
Books & subscriptions	300		300	100.0%
Special event hosting	600		600	100.0%
Administration				
Medical	655,100	641,202	13,898	2.1%
Medical stop loss	1,038,000	1,034,496	3,504	0.3%
Dental	42,900	41,755	1,145	2.7%
Vision	12,600	10,752	1,848	14.7%
Claims				
Medical	11,567,200	11,816,249	(249,049)	(2.2%)
Pharmacy	4,804,400	4,869,829	(65,429)	(1.4%)
Dental	1,064,700	1,023,690	41,010	3.9%
Vision	127,700	114,353	13,347	10.5%
Professional outside services	134,000	133,835	165	0.1%
Travel & training	4,000	460	3,540	88.5%
Dues & membership	400	-	400	100.0%
Limited purpose flex spending	14,600	14,394	206	1.4%
Federal medical insurance fees	7,300	9,327	(2,027)	(27.8%)
Inventory Adjustment	-	150	(150)	-
Total operating expenses	<u>19,745,400</u>	<u>19,867,583</u>	<u>(122,183)</u>	<u>(55.5%)</u>
Operating income (loss)	<u>1,400</u>	<u>(1,987)</u>	<u>(3,388)</u>	
NONOPERATING REVENUES (EXPENSES)				
Total nonoperating revenues (expenses)	-	-	-	0.0%
Income (loss) before contributions and transfers	<u>1,400</u>	<u>(1,987)</u>	<u>(3,388)</u>	
Change in net position	<u>\$ 1,400</u>	<u>\$ (1,987)</u>	<u>\$ (3,388)</u>	

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget to Actual

Workers' Compensation Fund

For the quarter ended June 30, 2024

	Fourth Quarter Budget	FY 2024 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
City Contributions				
Worker's comp	\$ 2,560,800	\$ 1,451,753	\$ (1,109,047)	(43.3%)
Subrogation recovery	-	-	-	-
Claim Expense Reimbursement	-	90,948	90,948	-
Recovery of PY	-	650	650	-
Interest revenue	-	202,234	202,234	-
Total operating revenues	<u>2,560,800</u>	<u>1,745,585</u>	<u>(815,215)</u>	<u>39.6%</u>
OPERATING EXPENSES				
Personnel (Wages/Benefits)	339,800	287,558	52,242	15.4%
Administration	1,300,000	247,122	1,052,878	81.0%
Claim Settlement	528,600	788,456	(259,856)	(49.2%)
Municipal Firefighters Cancer	500,000	392,113	107,887	21.6%
Software license	45,000	42,979	2,021	4.5%
Taxes, Charges, Service Fees	36,000	1,078	34,922	97.0%
Other professional services	85,000	25,038	59,962	70.5%
Total operating expenses	<u>2,834,400</u>	<u>1,784,344</u>	<u>1,050,056</u>	<u>(26.5%)</u>
Operating income (loss)	<u>(273,600)</u>	<u>(38,759)</u>	<u>234,841</u>	
Income (loss) before contributions and transfers	<u>(273,600)</u>	<u>(38,759)</u>	<u>234,841</u>	
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	-
Change in net position	<u>\$ (273,600)</u>	<u>\$ (38,759)</u>	<u>\$ 234,841</u>	

Employee Health Care Activity

Claims Medical History By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2022	\$ 2,069,953	\$ 4,545,565	\$ 3,451,990	\$ 2,733,925	\$ 12,801,433
2023	4,156,131	3,117,159	3,650,996	3,848,228	14,772,514
2024	3,868,396	4,651,388	3,587,787	4,578,507	16,686,078

Net Income (loss) By Quarter

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2022	\$ 1,088,596	\$ (1,230,194)	\$ 140,154	\$ (154)	\$ (1,598)
2023	(892,576)	28,909	1,060,353	(587,412)	(390,726)
2024	107,832	(401,422)	1,109,574	(817,971)	(1,987)

Stop Loss Credits

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2022	\$ 4,148	\$ 557	\$ -	\$ 154,266	\$ 158,971
2023	127,225	14,271	57,429	455,120	654,046
2024	219,325	149,866	199,528	173,875	742,595

Pharmacy Rebate by Fiscal Year

	HMO	PPO	EPO	Total By Year
	90216211	90216214	90216215	
2018	\$ 111,392	\$ 101,497	\$ -	\$ 212,889
2019	264,706	240,185	-	504,891
2020	363,076	161,800	72,213	597,089
2021	300,178	99,161	52,092	451,431
2022	295,845	110,840	82,668	489,353
2023	553,282	274,223	225,233	1,052,739
2024	704,294	480,724	371,454	1,556,472
Total By Plan	\$ 2,592,774	\$ 1,468,429	\$ 803,660	\$ 4,864,863

FY2024 IBNR

Medical, Dental and Vision Activity

	Medical	Dental	Vision	Total
July	251,665	23,066	2,610	277,341
August	162,336	6,631	301	169,268
September	110,211	1,915	-	112,126
October	77,400	1,000	-	78,400
November	159,782	1,660	-	161,443
December	6,043	181	-	6,224
January	5,040	121	-	5,161
February	11,164	26	-	11,190
March	5,487	818	-	6,305
April	20,201	-	-	20,201
May	6,968	-	-	6,968
June	7,170	-	-	7,170
Total FY 2023 Claims Run out	823,466	35,418	2,911	861,795
 IBNR Valuation as of June 30 2024	 902,000	 44,000	 3,413	
	(78,534)	(8,582)	(502)	
 FY2023 IBNR		949,413		
Total Run Out Claims FY2024		<u>(861,795)</u>		
Medical Claim Adjustment - Revenue to Fund		<u>87,618</u>		



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 4, 2024

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations:

Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar for 2025.

Motion:

I move to approve the Health Benefits Trust Fund Board Annual Calendar for 2025.

(Or, if amended) - I move to approve the Health Benefits Trust Fund Board Annual Calendar for 2025, as amended.

Background:

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

Objective Analysis:

Policy Compliant:

Financial Impact:

No financial impact.

Budget Impact:

No budget impact.

FTE Impact:

ATTACHMENTS:

1. HBTF PROPOSED CALENDAR - 2025
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CITY OF SURPRISE

HEALTH BENEFITS TRUST FUND BOARD

16000 North Civic Center Plaza

Surprise, AZ 85374

2025 Meeting Calendar

Proposed

Health Benefits Trust Fund Board Meetings

Annual Calendar

Regular Quarterly Meetings

Location

City of Surprise – Council Overflow Room

Regular Meetings

March 5, 2025*

3:00 pm

May 21, 2025

4:00 pm

August 27, 2025

4:00 pm

December 3, 2025

4:00 pm

*** Earlier March 5, 2025 Meeting Includes:**

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



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 4, 2024

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Internal

Staff Recommendations:

Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action to elect a Chairperson and Vice-Chairperson for the Health Benefits Trust Fund Board.

Motion:

I move to elect [name] as Chairperson of the Health Benefits Trust Fund Board.

I move to elect [name] as Vice-Chairperson of the Health Benefits Trust Fund Board.

(There should be two separate motions and votes - first electing the Chairperson and subsequently the Vice-Chairperson)

Background:

Per the City of Surprise Municipal Code and Boards and Commissions Handbook, the Health Benefits Trust Fund Board must annually elect, at the first meeting of the new fiscal year, a Chairperson and Vice-Chairperson. As this item was inadvertently omitted from the first meeting of this fiscal year, the elected Chairperson and Vice-Chairperson will serve the remainder of the fiscal year, through June 30, 2025.

Objective Analysis:

The role of the Chairperson, or Vice-Chairperson when the Chairperson is absent, is to preside over the Health Benefits Trust Fund Board meetings. The Chairperson has the authority to sign correspondence as the official representative of the Health Benefits Trust Fund Board. During the absence of the Chairperson, the Vice-Chairperson shall act as the presiding officer over all Health Benefit Trust Fund Board meetings and activities.

Policy Compliant:

Financial Impact:

No financial impact.

Budget Impact:

No budget impact.

FTE Impact:

NO FTE impact.

ATTACHMENTS:



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 4, 2024
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

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

Agenda Wording:

Consideration and action pertaining to approval of a settlement in the amount of \$140,000, which includes loss of earning capacity benefits set-aside fully funded and self-administered, in exchange for, and subject to, the waiver of all Worker's Compensation claims and benefits to the extent allowed by law.

Motion:

Consideration and action pertaining to approval of a settlement in the amount of \$140,000, which includes loss of earning capacity benefits, in exchange for, and subject to, waiver of all Worker's Compensation claims and benefits to the extent allowed by law.

Background:

A claimant filed a certain Worker's Compensation claim based on an alleged industrial injury from an incident that occurred on or about January 10, 2021. To resolve and finalize the Workers' Compensation claim, the parties have tentatively agreed that the claimant will, to the extent allowed by law, waive any present and future Workers' Compensation claims and benefits in exchange for the full and final settlement, which totals \$140,000. These rights exist by operation of law when the City's Workers' Compensation Program or Health Benefits Program pays for healthcare under the respective programs.

Because the Trust Board has certain oversight of the Health Benefits and Workers' Compensation Trusts and the referenced settlement is associated with monies paid from those Trust Funds, the City Attorney has recommended that in this limited situation, it would be prudent to obtain approval of the settlement from the Trust Board.

Objective Analysis:

This action is consistent with all applicable laws and will facilitate the settlement of a Workers' Compensation claim consistent with the policies and interests of the City.

Policy Compliant:

This action is consistent with the applicable Trust Agreements, the City's self-insured Workers' Compensation Program policies and the Surprise Municipal Code.

Financial Impact:

The City will pay \$140,000 in exchange for waiver of any present of future costs and expenses associated with this Workers' Compensation claim.

Budget Impact:

FTE Impact:

ATTACHMENTS:
