



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

Wednesday, March 5, 2025 @ 3:00 PM  
COUNCIL CHAMBERS OVERFLOW ROOM

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

**CALL TO THE PUBLIC:**

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

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

**CONSENT AGENDA:**

- |    |          |   |                         |
|----|----------|---|-------------------------|
| 1. | Citywide | Consideration and action pertaining to approval of the December 4, 2024 Health Benefits Trust Fund Board meeting minutes. | Andrea Davis<br>Finance |
|----|----------|---|-------------------------|

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

- |    |          |   |                             |
|----|----------|---|-----------------------------|
| 2. | Citywide | Presentation and discussion pertaining to CBIZ Consulting FY2025 2nd Quarter Report   | Joesette Frausto<br>Finance |
| 3. | Citywide | Presentation and discussion pertaining to the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund Financial Report for FY2025 2nd Quarter | Andrea Davis<br>Finance     |
| 4. | Citywide | Consideration and action pertaining to the approval of the recommended FY2026 Health Benefit Trust Fund Budget  | Andrea Davis<br>Finance     |
| 5. | Citywide | Consideration and action pertaining to the approval of the FY2026 Workers' Compensation Plan Budget   | Finance                     |

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

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KRISTI PASSARELLI, CITY CLERK

POSTED: Friday, February 28th, 2025 @ 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 CLERK@SURPRISEAZ.GOV, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.**



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

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Council Meeting Date: March 5, 2025

Contact Person: Andrea Davis, DIRECTOR -  
FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations:

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Consent: Yes

Regular: No

Public Hearing: No

Report/Discussion: No

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**Agenda Wording:**

Consideration and action pertaining to approval of the December 4, 2024 Health Benefits Trust Fund Board meeting minutes.

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**Motion:**

I move to approve the December 4, 2024 Health Benefits Trust Fund Board meeting minutes.

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**Background:**

Attached are the minutes from the December 4, 2024 meeting.

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**Objective Analysis:**

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**Policy Compliant:**

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**Financial Impact:**

No financial impact.

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**Budget Impact:**

No budget impact.

**FTE Impact:**

No FTE impact.

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**ATTACHMENTS:**

1. HBTF MINUTES 12.04.24 DRAFT
-

**CITY OF SURPRISE**

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

**December 4, 2024**

**MEETING MINUTES**

**CALL TO ORDER**

Chairperson Renee Pastor called the Health Benefits Trust Fund Meeting to order at 4:01 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, December 4, 2024.

**ROLL CALL**

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

**STAFF PRESENT:**

Robert Wingo, City Attorney; Donna Meuse, Human Resources Director; Paige Gearhart, Human Resources Manager; Digger Oster, Risk Manager – Senior; Ariana Reyna, Human Resources Business Partner; Sandy Simmons, Budget Manager; Erick Martin, Assistant Director – Finance; Laura Roybal, Management Analyst.

**PLEDGE OF ALLEGIANCE**

**CURRENT EVENTS REPORT**

None

**STAFF REPORT**

None

**CALL TO THE PUBLIC**

None

**CONSENT AGENDA**

**Item 1: Consideration and action pertaining to the approval of the August 28, 2024 Health Benefits Trust Fund Board Meeting Minutes.**

- Vice Chair William Coniam made a motion to approve the minutes for the August 28, 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 FY2025 1<sup>st</sup> Quarter Report.**

- Melissa Barbakoff presented CBIZ Consulting's FY2025 1<sup>st</sup> Quarter Report.
- Mike Zucarelli responded to Board Member Barb Minick's request for additional pharmacy cost information.
- David Zucarelli presented the City's pharmacy spend and rebate summary.

### **Item 3: Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2024 4<sup>th</sup> Quarter and FY2025 1<sup>st</sup> Quarter.**

- Erick Martin presented the FY2024 4<sup>th</sup> Quarter and FY 2025 1st Quarter Financial Reports.

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

- Discussion was had regarding the dates and times for the scheduled meetings. The proposed calendar was amended to reflect the following change:
  - March 5, 2025 3:00 pm (no changes from proposed)
  - June 4, 2025 4:00 pm (changed from May 21, 2024)
  - August 27, 2025 4:00 pm (no changes from proposed)
  - December 3, 2025 4:00 pm (no changes from proposed)
- Board Member Rachal made a motion to approve the meeting calendar for 2025, as amended. Board Member Davis seconded the motion. Motion passed.

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

- Board Member Candace Rachal nominated William Coniam as Chairperson of the Health Benefits Trust Fund Board. Chairperson Renee Pastor seconded the nomination. Motion passed.
- New elect Chairperson William Coniam nominated Candace Rachal as Vice-Chair of the Health Benefits Trust Fund Board. Board Member Davis seconded the motion. Motion passed.

### **Item 6: 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 Workers' Compensation claims and benefits to the extent allowed by law.**

- Board Member Davis made a motion to approve the settlement. Board Member Pastor seconded the motion. Motion passed.

## **OTHER BUSINESS**

### **EXECUTIVE SESSION**

No executive session was held.

### **ADJOURNMENT**

Board Member Rachal made a motion to adjourn the meeting. Board Member Andrea Davis seconded the motion. Motion passed. Hearing no further business, Board Member Pastor adjourned the Health Benefits Trust Fund meeting at 4:39 p.m.

DRAFT



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

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Council Meeting Date: March 5, 2025

Contact Person: Joesette Frausto, HUMAN  
RESOURCES MANAGER

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

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Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

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**Agenda Wording:**

Presentation and discussion pertaining to CBIZ Consulting FY2025 2nd Quarter Report

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**Motion:**

None: Discussion Only

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**Background:**

CBIZ Consulting will present the 2nd Quarter self-funded medical, dental, and vision report for plan year FY2025 for the city. This report contains financial information and claims activity.

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**Objective Analysis:**

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**Policy Compliant:**

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**Financial Impact:**

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

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**Budget Impact:**

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

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**FTE Impact:**

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**ATTACHMENTS:**

1. City of Surprise Medical, Dental & Vision Experience 12 24 - Final Revised
-



# *City of Surprise*

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

**Plan Year: July 2024 – June 2025**

*Month End: December 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 second quarter of the new plan year beginning July 2024.

Expected claims through the second quarter have come in at 70.4% and 60.6% for maximum claims liability. Average covered lives have increased to 996 lives from 931 this time last year, a 6.8% increase. There are five large claimants above the \$100,000 threshold. Three are prior year claimants. Large claimants represent 11.4% of total claims.

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

- HMO -42% of total claims, 78.6% loss ratio
- PPO – 37% of total claims, 74.4% loss ratio
- EPO – 21% of total claims, 58.2% loss ratio

### Enrollment by Plan:

- **HMO – 3.5% increase in enrollment in the HMO plan**
  - 2024 - 349
  - 2023 - 337
  - 2022 - 346
- **PPO – 6.5% increase in enrollment in the PPO plan**
  - 2024 - 358
  - 2023 - 336
  - 2022 - 300
- **EPO – 10.7% increase in enrollment in the EPO plan**
  - 2024 - 290
  - 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 December was \$1,526,841, after rebates and stop loss recoveries that amount drops to \$802,904. Pharmacy rebates were applied in September in the amount of \$430,420. The prior plan year with claims through the second quarter preformed at 90.4% of expected.



## Annual Cost Comparison

On the Annual Cost Comparison slide, the grid on the far right-hand side illustrates the year-over-year total cost history increase or decrease. The CBIZ analytics team is projecting total costs for PY25 to be 9.0% higher than PY24. This projection is still immature and can fluctuate over the plan year.

Currently:

- **Medical Claims:** Including a completion factor and escalator load, are coming in 2.1% lower in comparison to PY24.
- **Pharmacy Claims:** 11.6% higher than the PY24 plan year.

Both medical and pharmacy claims were adjusted for the enrollment increase.

## Dental

Dental claims are performing slightly higher than expected. Dental claims tend to be higher in the first and second quarter but then tend to normalize. The current loss ratio through December is 109.2%, for the same period last year it was 100.6%. Through December the dental paid claims per employee, per month (PEPM) is \$102.12, compared to last year at \$93.64.

## Vision

Vision claims utilization is much higher than they have been in prior years. Vision claims through the second quarter are at 139.1%. Last year's claims through the second quarter had a 92.2% loss ratio.



# City of Surprise

## Paid Claims and Administration

Plan Year: July 2024 to June 2025 (as of December 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 Plan	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	993	\$ 1,510,610	\$ 1,756,591	\$ 1,020,116	\$ 368,847	\$ 13,050	\$ -	\$ 1,838	\$ 8,063	\$ 2,128	\$ -	\$ 1,414,042	\$ 153,655	\$ 1,567,697	93.6%	80.5%	\$ 1,039.42	\$ 384.59	\$ 1,424.01	\$ 1,424.01	\$ 1,578.75
Sep-24	996	\$ 1,514,133	\$ 1,760,623	\$ 905,336	\$ 329,301	\$ 20,212	\$ -	\$ 1,793	\$ 7,967	\$ 2,190	\$ -	\$ 1,266,799	\$ 154,117	\$ 1,420,915	83.7%	72.0%	\$ 920.97	\$ 350.92	\$ 1,271.89	\$ 1,271.89	\$ 1,426.62
Oct-24	998	\$ 1,520,711	\$ 1,767,933	\$ 780,932	\$ 364,056	\$ 10,107	\$ -	\$ 2,120	\$ 8,104	\$ -	\$ -	\$ 1,165,320	\$ 154,427	\$ 1,319,747	76.6%	65.9%	\$ 792.74	\$ 374.91	\$ 1,167.66	\$ 1,167.66	\$ 1,322.39
Nov-24	1,001	\$ 1,523,976	\$ 1,772,169	\$ 492,085	\$ 374,251	\$ 16,502	\$ -	\$ 1,823	\$ 8,236	\$ 4,463	\$ -	\$ 897,361	\$ 154,893	\$ 1,052,253	58.9%	50.6%	\$ 506.10	\$ 390.36	\$ 896.46	\$ 896.46	\$ 1,051.20
Dec-24	1,007	\$ 1,531,222	\$ 1,780,927	\$ 834,870	\$ 375,853	\$ 10,174	\$ (289,501)	\$ 2,584	\$ 8,055	\$ 2,316	\$ -	\$ 944,350	\$ 155,821	\$ 1,100,171	61.7%	53.0%	\$ 841.93	\$ 383.34	\$ 937.79	\$ 937.79	\$ 1,092.52
Jan-25																					
Feb-25																					
Mar-25																					
Apr-25																					
May-25																					
Jun-25																					
<b>Total</b>	<b>5,978</b>	<b>\$ 9,100,357</b>	<b>\$10,581,461</b>	<b>\$ 4,454,936</b>	<b>\$ 2,091,953</b>	<b>\$ 76,986</b>	<b>\$ (289,501)</b>	<b>\$ 11,867</b>	<b>\$ 48,483</b>	<b>\$ 13,250</b>	<b>\$ -</b>	<b>\$ 6,407,974</b>	<b>\$ 925,020</b>	<b>\$ 7,332,994</b>	<b>70.4%</b>	<b>60.6%</b>	<b>\$ 757.53</b>	<b>\$ 349.94</b>	<b>\$ 1,071.93</b>	<b>\$ 1,071.93</b>	<b>\$ 1,226.66</b>
<b>Avg</b>	<b>996</b>																				

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
<b>Total Admin Fees</b>	<b>\$155.09</b>	<b>\$155.09</b>	<b>\$155.09</b>	<b>\$154.54</b>	<b>\$154.54</b>	<b>\$154.54</b>	<b>\$154.54</b>	<b>\$154.54</b>	<b>\$154.54</b>

Claim Expenses	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 December 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	358	\$ 541,284	\$ 651,645	\$ 465,011	\$ 78,223	\$ -	\$ 543,234	\$ 55,522	\$ 598,757	100.4%	83.4%	\$1,298.91	\$218.50	\$1,517.41	\$1,672.50
Sep-24	354	\$ 540,296	\$ 649,857	\$ 403,854	\$ 132,327	\$ -	\$ 536,181	\$ 54,902	\$ 591,083	99.2%	82.5%	\$1,140.83	\$373.81	\$1,514.64	\$1,669.73
Oct-24	357	\$ 545,956	\$ 656,538	\$ 251,716	\$ 119,320	\$ -	\$ 371,036	\$ 55,367	\$ 426,403	68.0%	56.5%	\$705.09	\$334.23	\$1,039.32	\$1,194.41
Nov-24	360	\$ 549,681	\$ 661,118	\$ 177,876	\$ 100,814	\$ -	\$ 278,690	\$ 55,832	\$ 334,523	50.7%	42.2%	\$494.10	\$280.04	\$774.14	\$929.23
Dec-24	363	\$ 554,534	\$ 666,923	\$ 329,739	\$ 160,534	\$ -	\$ 490,273	\$ 56,298	\$ 546,570	88.4%	73.5%	\$908.37	\$442.24	\$1,350.61	\$1,505.70
Jan-25															
Feb-25															
Mar-25															
Apr-25															
May-25															
Jun-25															
<b>Total</b>	<b>2,145</b>	<b>\$ 3,266,882</b>	<b>\$ 3,930,150</b>	<b>\$ 1,746,522</b>	<b>\$ 684,379</b>	<b>\$ -</b>	<b>\$ 2,430,901</b>	<b>\$ 332,668</b>	<b>\$ 2,763,570</b>	<b>74.4%</b>	<b>61.9%</b>	<b>\$814.23</b>	<b>\$319.06</b>	<b>\$1,133.29</b>	<b>\$1,288.38</b>
<b>Avg</b>	<b>358</b>														

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

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

Month	Number of Enrollees by Month			Total
	EE	EE + 1	EE + Fam	
July	110	73	170	353
August	113	73	172	358
September	107	75	172	354
October	107	76	174	357
November	107	80	173	360
December	108	80	175	363
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>652</b>	<b>457</b>	<b>1,036</b>	<b>2,145</b>

**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2024 to June 2025 (as of December 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	349	\$ 586,589	\$ 681,753	\$ 442,752	\$ 190,061	\$ -	\$ 632,813	\$ 53,934	\$ 686,747	107.9%	92.8%	\$1,268.63	\$544.59	\$1,813.22	\$1,967.76
Sep-24	351	\$ 589,614	\$ 685,303	\$ 271,456	\$ 135,011	\$ -	\$ 406,467	\$ 54,244	\$ 460,710	68.9%	59.3%	\$773.38	\$384.65	\$1,158.02	\$1,312.56
Oct-24	348	\$ 588,580	\$ 683,686	\$ 275,428	\$ 153,464	\$ -	\$ 428,892	\$ 53,780	\$ 482,672	72.9%	62.7%	\$791.46	\$440.99	\$1,232.45	\$1,386.99
Nov-24	348	\$ 590,082	\$ 685,276	\$ 243,992	\$ 164,679	\$ -	\$ 408,671	\$ 53,780	\$ 462,451	69.3%	59.6%	\$701.13	\$473.22	\$1,174.34	\$1,328.88
Dec-24	349	\$ 591,428	\$ 686,875	\$ 411,944	\$ 133,313	\$ -	\$ 545,257	\$ 53,934	\$ 599,192	92.2%	79.4%	\$1,180.36	\$381.99	\$1,562.34	\$1,716.88
Jan-25															
Feb-25															
Mar-25															
Apr-25															
May-25															
Jun-25															
<b>Total</b>	<b>2,091</b>	<b>\$ 3,529,180</b>	<b>\$ 4,100,202</b>	<b>\$ 1,876,272</b>	<b>\$ 899,343</b>	<b>\$ -</b>	<b>\$ 2,775,616</b>	<b>\$ 323,143</b>	<b>\$ 3,098,759</b>	<b>78.6%</b>	<b>67.7%</b>	<b>\$897.31</b>	<b>\$430.10</b>	<b>\$1,327.41</b>	<b>\$1,481.95</b>
<b>Avg</b>	<b>349</b>														

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

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

Month	Number of Enrollees by Month			Total
	EE	EE + 1	EE + Fam	
July	79	79	188	346
August	80	81	188	349
September	80	83	188	351
October	75	86	187	348
November	74	86	188	348
December	75	85	189	349
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>463</b>	<b>500</b>	<b>1,128</b>	<b>2,091</b>

**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2024 to June 2025 (as of December 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	286	\$ 382,736	\$ 423,194	\$ 112,353	\$ 100,563	\$ -	\$ 212,915	\$ 44,198	\$ 257,114	55.6%	50.3%	\$392.84	\$351.62	\$744.46	\$899.00
Sep-24	291	\$ 384,222	\$ 425,463	\$ 230,026	\$ 61,963	\$ -	\$ 291,989	\$ 44,971	\$ 336,961	76.0%	68.6%	\$790.47	\$212.93	\$1,003.40	\$1,157.94
Oct-24	293	\$ 386,175	\$ 427,709	\$ 253,789	\$ 91,272	\$ -	\$ 345,061	\$ 45,280	\$ 390,341	89.4%	80.7%	\$866.17	\$311.51	\$1,177.68	\$1,332.22
Nov-24	293	\$ 384,213	\$ 425,775	\$ 70,217	\$ 108,758	\$ -	\$ 178,975	\$ 45,280	\$ 224,255	46.6%	42.0%	\$239.65	\$371.19	\$610.83	\$765.37
Dec-24	295	\$ 385,260	\$ 427,129	\$ 93,187	\$ 82,006	\$ -	\$ 175,193	\$ 45,589	\$ 220,782	45.5%	41.0%	\$315.89	\$277.99	\$593.88	\$748.42
Jan-25															
Feb-25															
Mar-25															
Apr-25															
May-25															
Jun-25															
<b>Total</b>	<b>1,742</b>	<b>\$ 2,304,295</b>	<b>\$ 2,551,109</b>	<b>\$ 832,141</b>	<b>\$ 508,230</b>	<b>\$ -</b>	<b>\$ 1,340,372</b>	<b>\$ 269,209</b>	<b>\$ 1,609,580</b>	<b>58.2%</b>	<b>52.5%</b>	<b>\$477.69</b>	<b>\$291.75</b>	<b>\$769.44</b>	<b>\$923.98</b>
<b>Avg</b>	<b>290</b>														

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

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

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	102	59	123	284
August	105	57	124	286
September	112	55	124	291
October	113	56	124	293
November	114	57	122	293
December	117	55	123	295
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>663</b>	<b>339</b>	<b>740</b>	<b>1,742</b>

# City of Surprise

## Paid Claims and Administration

Plan Year: July 2023 to June 2024 (as of December 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
<b>Total</b>	<b>11,393</b>	<b>\$16,189,658</b>	<b>\$18,332,859</b>	<b>\$10,648,030</b>	<b>\$ 4,643,063</b>	<b>\$ (1,085,090)</b>	<b>\$ 36,659</b>	<b>\$ 92,430</b>	<b>\$ 22,286</b>	<b>\$ (523,156)</b>	<b>\$13,834,222</b>	<b>\$ 1,675,068</b>	<b>\$ 15,509,290</b>	<b>85.5%</b>	<b>75.5%</b>	<b>\$947.90</b>	<b>\$407.54</b>	<b>\$1,260.19</b>	<b>\$1,214.27</b>	<b>\$1,361.30</b>
<b>Avg</b>	<b>949</b>																			

BCBS and Optum Rx Runout							
Month	Paid Medical	Paid Rx	Optum Rx Rebates*	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery	Total Paid Claims
Jul-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	\$ 178,923		\$ -	\$ 34	\$ -	\$ (60,117)	\$ 118,840
Nov-24	\$ 121,770		\$ -	\$ 10	\$ -	\$ (78,236)	\$ 43,544
Dec-24	\$ 74,268		\$ -	\$ 17	\$ -	\$ (65,043)	\$ 9,242
Jan-25							\$ -
Feb-25							\$ -
Mar-25							\$ -
Apr-25							\$ -
May-25							\$ -
Jun-25							\$ -
<b>Total</b>	<b>\$ 1,526,841</b>	<b>\$ 1,897</b>	<b>\$ (430,420)</b>	<b>\$ 3,426</b>	<b>\$ (9)</b>	<b>\$ (298,830)</b>	<b>\$ 802,904</b>

### 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
\$15,459,112	\$ (821,986)	\$14,637,126	\$ 1,675,068	\$ 16,312,194	90.4%	79.8%	\$ 1,431.77

**City of Surprise**  
**Plan Year: July 2024 to June 2025 (as of December 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*	\$12,174,870	\$1,068.63	\$12,509,460	\$1,046.29	2.75%	\$334,589	-2.1%	(\$22.34)	2014/2015	\$1,079.93	
Rx Claims Costs	\$4,644,959	\$407.70	\$5,439,078	\$454.92	17.10%	\$794,119	11.6%	\$47.22	2015/2016	\$1,160.82	7.5%
PaydHealth Rx Savings			\$153,973	\$12.88					2016/2017	\$1,202.07	3.6%
Rx Rebates	(\$1,515,510)	(\$133.02)	(\$1,439,842)	(\$120.43)	-4.99%	\$75,668	-9.5%	\$12.59	2017/2018	\$1,151.77	-4.2%
Blue Card, Capitation Expenses, Misc and Value Based Services	\$154,792	\$13.59	\$147,199	\$12.31	-4.91%	(\$7,593)	-9.4%	(\$1.27)	2018/2019	\$1,200.23	4.2%
Stop Loss Recoveries	(\$821,986)	(\$72.15)	\$0	\$0.00	n/a	\$821,986	n/a	\$72.15	2019/2020	\$1,201.50	0.1%
Admin Fees	\$1,675,068	\$147.03	\$1,850,040	\$154.74	10.45%	\$174,971	5.2%	\$7.71	2020/2021	\$1,178.50	-1.9%
<b>Total Costs</b>	<b>\$16,312,194</b>	<b>\$1,431.77</b>	<b>\$18,659,908</b>	<b>\$1,560.71</b>	<b>14.4%</b>	<b>\$2,347,713</b>	<b>9.0%</b>	<b>\$128.94</b>	2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,420.82	10.2%
									2023/2024	\$1,431.77	0.8%
									2024/2025 (Est.)	\$1,560.71	9.0%

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	11,393	11,956	4.94%	563

\*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	\$12,174,870	\$1,068.63	4.55%	\$529,658	-3.8%	(\$42.13)	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	\$154,792	\$13.59	15.08%	\$20,283	5.9%	\$0.76	2017/2018	\$1,151.77	-4.2%
Stop Loss Recoveries	(\$753,712)	(\$71.89)	(\$821,986)	(\$72.15)	n/a	(\$68,274)	n/a	(\$0.26)	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%
<b>Total Costs</b>	<b>\$14,895,870</b>	<b>\$1,420.82</b>	<b>\$16,312,194</b>	<b>\$1,431.77</b>	<b>9.5%</b>	<b>\$1,416,324</b>	<b>0.8%</b>	<b>\$10.95</b>	2020/2021	\$1,178.50	-1.9%
									2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,420.82	10.2%
									2023/2024	\$1,431.77	0.8%
									2024/2025 (Est.)	\$1,560.71	9.0%

	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 December 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
1	F005	Y	Active	PPO	\$203,949	\$0	\$203,949	\$203,913	\$36	81.6%
2	H001	N	Termed	EPO	\$158,526	\$0	\$158,526	\$158,526	\$0	63.4%
3	H002	N	Termed	PPO	\$150,716	\$0	\$150,716		\$150,716	60.3%
4	F002	Y	Active	HMO	\$123,480	\$0	\$123,480		\$123,480	49.4%
5	D014	Y	Active	PPO	\$109,366	\$0	\$109,366	\$109,366	\$0	43.7%

<b>Total</b>	<b>\$746,037</b>	<b>\$0</b>	<b>\$746,037</b>	<b>\$471,805</b>	<b>\$274,232</b>
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<b>Percentage of Large Claims vs. Medical &amp; Rx Claims</b>	<b>11.4%</b>
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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 December 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	\$881,878	\$0	\$881,878	\$816,835	\$65,043	100.0%	(\$631,878)	\$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	\$264,978	\$0	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	\$245,491	\$0	98.2%		\$245,491
7	G004	N	Active	PPO	\$217,155	\$26,296	\$243,451	\$242,940	\$511	97.4%		\$243,451
8	G009	N	Active	HMO	\$200,396	\$24,018	\$224,414	\$224,414	\$0	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	\$209,237	\$0	83.7%		\$209,237
12	G010	N	Active	HMO	\$178,786	\$0	\$178,786	\$178,786	\$0	71.5%		\$178,786
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	\$125,835	\$3,177	\$129,012	\$129,012	\$0	51.6%		\$129,012
17	G002	N	Active	EPO	\$126,186	\$0	\$126,186	\$126,186	\$0	50.5%		\$126,186
18	G008	N	Active	HMO	\$122,134	\$2,656	\$124,790	\$124,790	\$0	49.9%		\$124,790
19	G011	N	Active	PPO	\$743	\$112,319	\$113,062	\$113,062	\$0	45.2%		\$113,062
20	G006	N	Termed	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	G015	N	Active	PPO	\$103,045	\$0	\$103,045	\$103,045	\$0	41.2%		\$103,045
23	G005	N	Active	PPO	\$102,407	\$0	\$102,407	\$102,407	\$0	41.0%		\$102,407
24	G013	N	Termed	EPO	\$0	\$100,342	\$100,342	\$100,342	\$0	40.1%		\$100,342

<b>Total</b>	<b>\$3,425,090</b>	<b>\$1,635,970</b>	<b>\$5,061,060</b>	<b>\$4,995,506</b>	<b>\$65,554</b>	<b>(\$821,986)</b>	<b>\$4,239,074</b>
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<b>Percentage of Large Claims vs. Medical &amp; Rx Claims</b>	<b>30.1%</b>
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## City of Surprise PBM Summary

January 1, 2024 – December 31, 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 <sup>st</sup> Q rebates of \$131,400)
\$56.32 – Results thru June, 2020	(does not include 2 <sup>nd</sup> Q rebates of \$120,281)
\$87.82 – Results thru September, 2020	(does not include 3 <sup>rd</sup> Q rebates of \$132,089)
\$74.55 – Results thru December, 2020	(does not include 4 <sup>th</sup> Q rebates of \$125,975)

#### Prior Calendar Year – 2021

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

#### Prior Calendar Year – 2022

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

#### Prior Calendar Year – 2023

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

#### Current Calendar Year – 2024

\$144.99 – Results thru March, 2024	(does not include 1 <sup>st</sup> Q rebates of \$396,965)
\$162.95 – Results thru June, 2024	(does not include 2 <sup>nd</sup> Q rebates of \$430,420)
\$119.79 – Results thru September, 2024	(does not include 3 <sup>rd</sup> Q rebates of \$289,500)
\$134.93 – Results thru December, 2024	(does not include estimated 4 <sup>th</sup> Q rebates of \$300,000)

The move to CVS Caremark has lowered the PMPM trend and your PMPM trend continues to run under the CVS book of business

Projected Rebates (CY 25 - 12 months) - \$1,400,000

Projected Rebates Per Quarter (Per CBIZ Funding Projection) average between \$325,000 and \$375,000

*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 December 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	1,020	\$92,035	\$3,621	\$145,431	\$149,052	158.0%	\$142.58	\$146.13
Aug-24	1,019	\$91,944	\$3,617	\$108,525	\$112,142	118.0%	\$106.50	\$110.05
Sep-24	1,020	\$92,035	\$3,621	\$88,628	\$92,249	96.3%	\$86.89	\$90.44
Oct-24	1,027	\$92,666	\$3,646	\$105,661	\$109,307	114.0%	\$102.88	\$106.43
Nov-24	1,030	\$92,937	\$3,657	\$84,483	\$88,139	90.9%	\$82.02	\$85.57
Dec-24	1,041	\$93,929	\$3,696	\$74,185	\$77,880	79.0%	\$71.26	\$74.81
Jan-25								
Feb-25								
Mar-25								
Apr-25								
May-25								
Jun-25								
<b>Total</b>	<b>6,157</b>	<b>\$555,546</b>	<b>\$21,857</b>	<b>\$606,912</b>	<b>\$628,769</b>	<b>109.2%</b>	<b>\$98.57</b>	<b>\$102.12</b>
Avg PEPM Enrollment	<b>1026</b>							

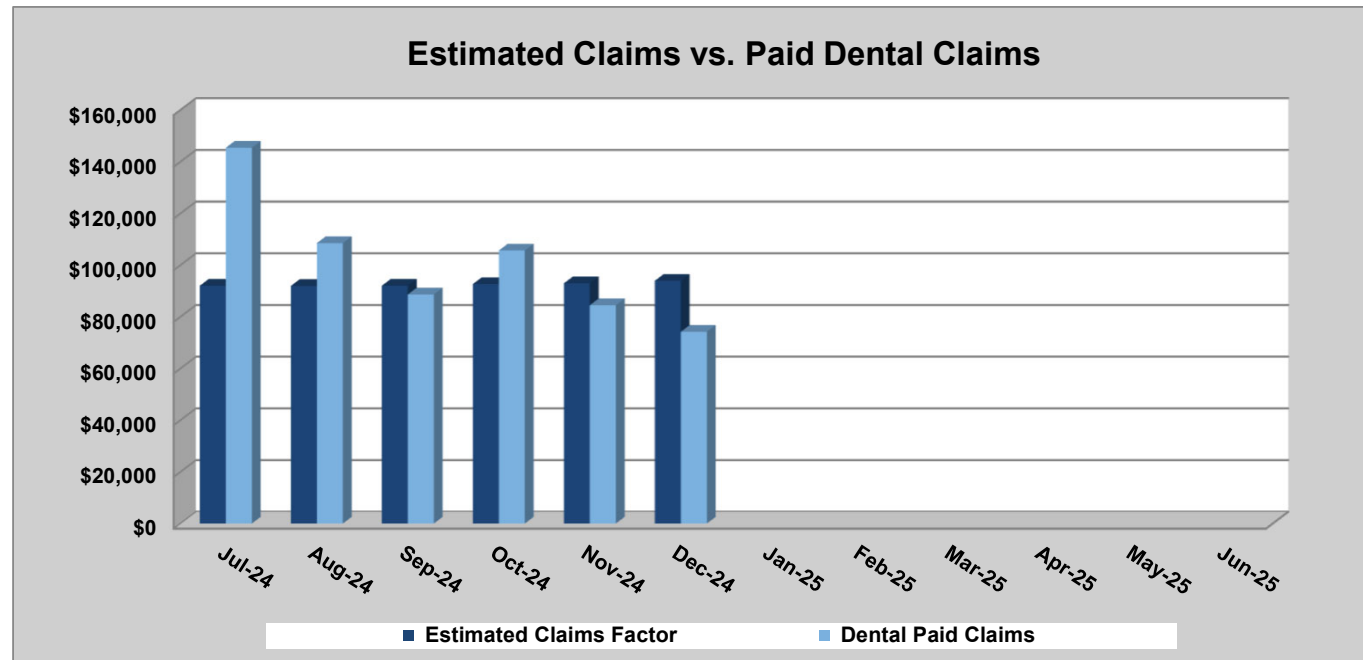
Admin Fees		Employee
Administration		\$3.55

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
<b>Total</b>	<b>11,767</b>	<b>\$1,053,617</b>	<b>\$41,773</b>	<b>\$1,018,451</b>	<b>\$1,060,224</b>	<b>96.7%</b>	<b>\$86.55</b>	<b>\$90.10</b>
Avg PEPM Enrollment	<b>981</b>							

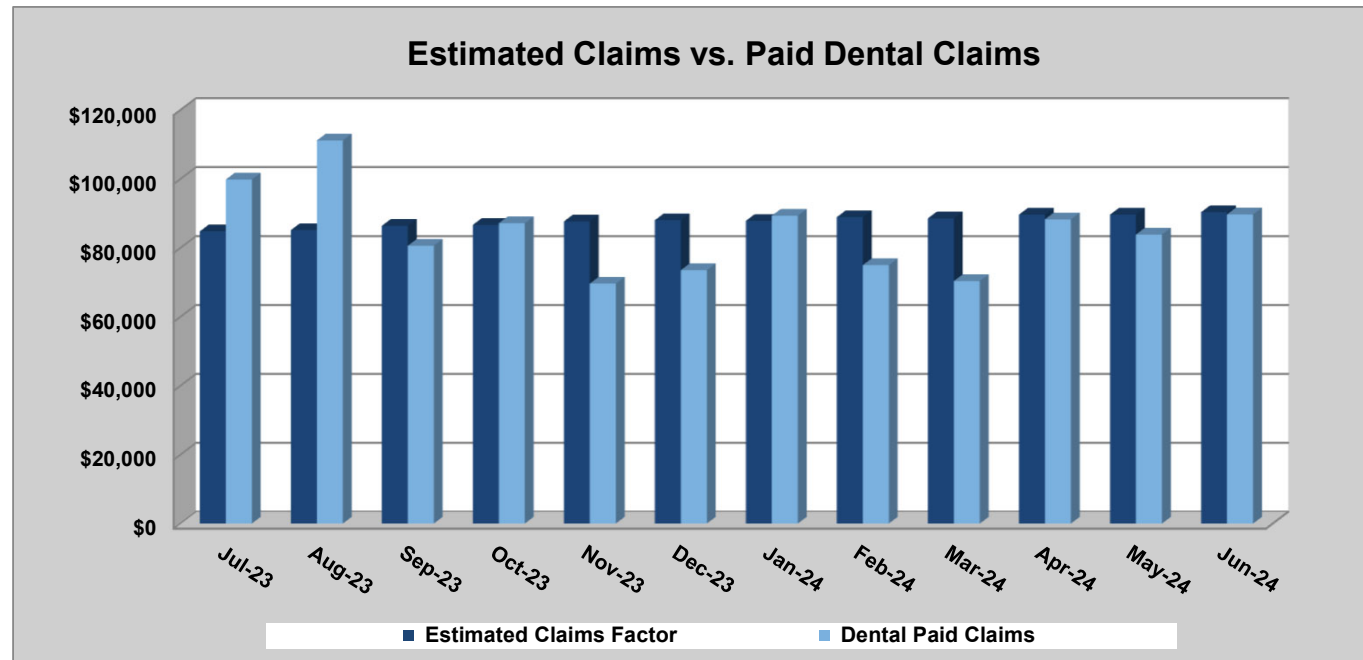
Admin Fees	Employee
Administration	\$3.55

Claim Expenses	
Estimated Claim Factor	\$89.54

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



# City of Surprise Delta Dental Dental Claims

Plan Year: July 2024 to June 2025 (as of December 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	\$1,104,580	\$89.70
Admin Fees	\$41,773	\$3.55	\$43,715	\$3.55
<b>Total Costs</b>	<b>\$1,060,224</b>	<b>\$90.10</b>	<b>\$1,148,294</b>	<b>\$93.25</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
8.5%	\$86,128	3.6%	\$3.15
4.6%	\$1,942	0.0%	\$0.00
<b>8.3%</b>	<b>\$88,070</b>	<b>3.5%</b>	<b>\$3.15</b>

PEPM Total Cost History		Increase/Decrease
2014/2015	\$75.97	
2015/2016	\$86.13	13.4%
2016/2017	\$85.96	-0.2%
2017/2018	\$86.59	0.7%
2018/2019	\$91.62	5.8%
2019/2020	\$68.78	-24.9%
2020/2021	\$86.85	26.3%
2021/2022	\$84.16	-3.1%
2022/2023	\$83.53	-0.7%
2023/2024	\$90.10	7.9%
2024/2025	\$93.25	3.5%

	Annual
Enrollment	11,767

Annualized
12,314

% Enrollment Change	# Enrollment Change
4.6%	547

\*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
<b>Total Costs</b>	<b>\$903,051</b>	<b>\$83.53</b>	<b>\$1,060,224</b>	<b>\$90.10</b>

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

	Annual
Enrollment	10,811

Annual
11,767

% Enrollment Change	# Enrollment Change
8.8%	956



# Vision Reports



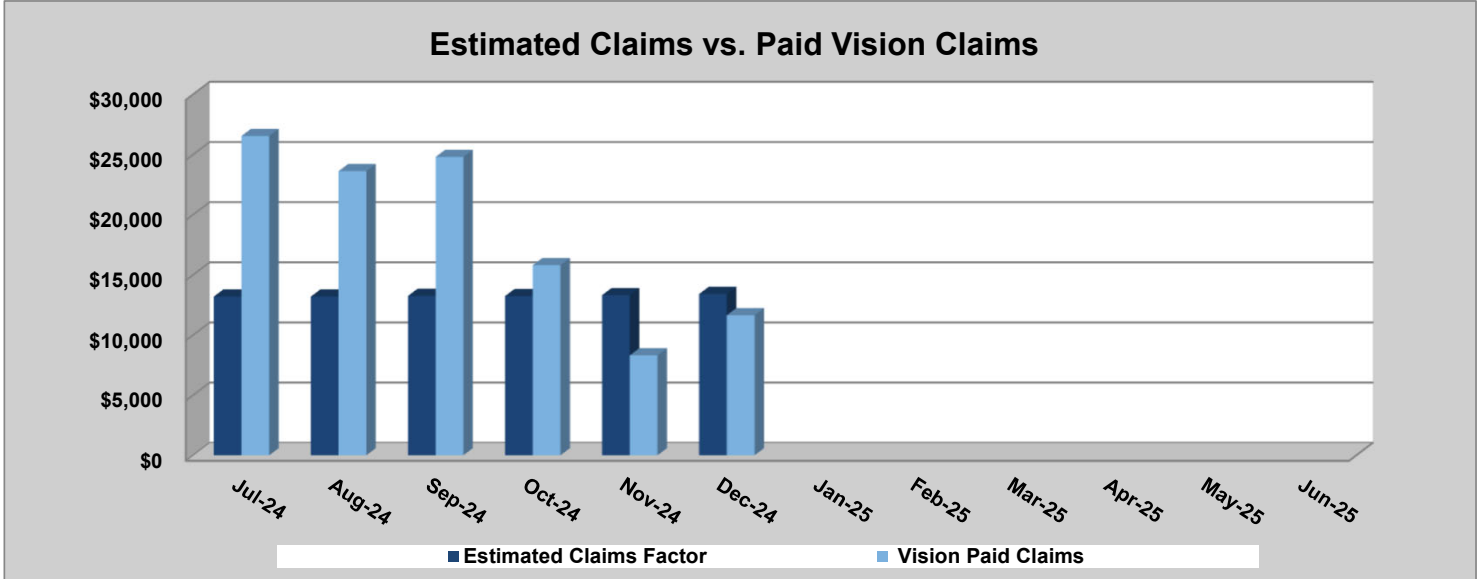
**City of Surprise**  
**Avesis Vision Self Funded Paid Claims**  
 Plan Year: July 2024 to June 2025 (as of December 2024)

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	981	\$13,234	\$1,472	\$15,804	\$17,275	119.4%	\$16.11	\$17.61
Nov-24	987	\$13,315	\$1,481	\$8,308	\$9,789	62.4%	\$8.42	\$9.92
Dec-24	994	\$13,409	\$1,491	\$11,645	\$13,136	86.8%	\$11.72	\$13.22
Jan-25								
Feb-25								
Mar-25								
Apr-25								
May-25								
Jun-25								
<b>Total</b>	<b>5,900</b>	<b>\$79,591</b>	<b>\$8,850</b>	<b>\$110,729</b>	<b>\$119,579</b>	<b>139.1%</b>	<b>\$18.77</b>	<b>\$20.27</b>
Avg Enrollment	983							

Admin Fees	Employee
Administration	\$1.50

Claim Expenses	
Estimated Claim Factor	\$13.49

Premium Equivalent Rates	
EE	Family
\$6.44	\$18.24



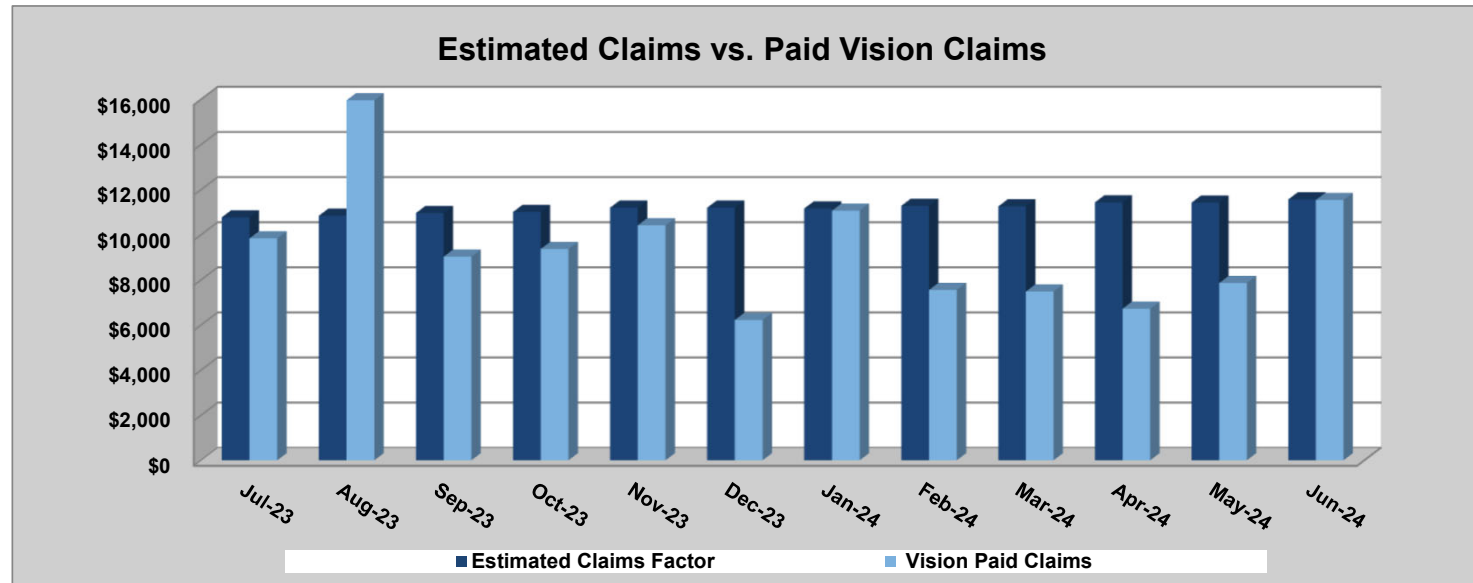
**City of Surprise**  
**Avesis Vision Self Funded Paid Claims**  
 Plan Year: July 2023 to June 2024

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
<b>Total</b>	<b>11,317</b>	<b>\$134,106</b>	<b>\$10,751</b>	<b>\$113,063</b>	<b>\$123,814</b>	<b>84.3%</b>	<b>\$9.99</b>	<b>\$10.94</b>
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 December 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	\$159,450	\$13.51
Admin Fees	\$10,751	\$0.95	\$17,700	\$1.50
<b>Total Costs</b>	<b>\$123,814</b>	<b>\$10.94</b>	<b>\$177,150</b>	<b>\$15.01</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
41.0%	\$46,387	35.3%	\$3.52
64.6%	\$6,949	57.9%	\$0.55
<b>43.1%</b>	<b>\$53,336</b>	<b>37.2%</b>	<b>\$4.07</b>

PEPM Total Cost History		Increase/Decrease
2014/2015	\$9.09	
2015/2016	\$10.33	13.6%
2016/2017	\$10.42	0.9%
2017/2018	\$10.69	2.6%
2018/2019	\$10.81	1.1%
2019/2020	\$9.87	-8.7%
2020/2021	\$11.53	16.8%
2021/2022	\$11.54	0.1%
2022/2023	\$9.46	-18.1%
2023/2024	\$10.94	15.7%
2024/2025	\$15.01	37.2%

	Annual
Enrollment	11,317

Annualized
11,800

% Enrollment Change	# Enrollment Change
4.3%	483

\*2024/2025 Vision claims may include load/decrement

## 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
<b>Total Costs</b>	<b>\$98,479</b>	<b>\$9.46</b>	<b>\$123,814</b>	<b>\$10.94</b>

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

	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: March 5, 2025

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

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Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

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**Agenda Wording:**

Presentation and discussion pertaining to the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund Financial Report for FY2025 2nd Quarter

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**Motion:**

None; Presentation and discussion only.

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**Background:**

Staff will be presenting the city's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund financial report for FY2025 2nd Quarter. This report contains unaudited financial activity through December 31, 2024 for the Employee Healthcare Self Insurance Fund and the Workers' Compensation Fund.

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**Objective Analysis:**

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**Policy Compliant:**

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**Financial Impact:**

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

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**Budget Impact:**

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

**FTE Impact:**

---

**ATTACHMENTS:**

1. 2nd Quarter Self Insurance Fund FY25
-

# City of Surprise, Arizona

Employee Healthcare Trust Fund and Workers' Compensation Fund

December 31, 2024

	Employee Healthcare Trust Fund	Workers' Compensation Trust Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 9,303,046	\$ 4,852,078
Other Receivables	-	-
Prepaid services	270	-
Total current assets	<u>9,303,316</u>	<u>4,852,078</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>9,307,015</u>	<u>4,855,299</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension related	16,404	14,287
Deferred outflows of resources - OPEB related	555	484
Total deferred outflows of resources	<u>16,959</u>	<u>14,771</u>
Total assets and deferred outflows of resources	<u>9,323,974</u>	<u>4,870,070</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	-	-
Claims payable	-	-
Accrued payroll and benefits	2,292	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>1,597,216</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>1,711,232</u>	<u>910,029</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
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>1,717,417</u>	<u>915,416</u>
<b>NET POSITION</b>		
Restricted for:		
Committed - Industrial Commission Reserve	-	1,500,000
Committed - Adverse Claims Contingency Reserve	3,703,608	-
Unrestricted	3,902,949	2,454,654
Total net position	<u>\$ 7,606,557</u>	<u>\$ 3,954,654</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 December 31, 2024

	Second Quarter Budget	FY 2025 Actual	Variance favorable (unfavorable)	% Variance
<b>OPERATING REVENUES</b>				
Employee Contributions				
Medical	\$ 1,636,000	\$ 1,603,831	(32,169)	(2.0%)
Dental	178,550	166,989	(11,561)	(6.5%)
Vision	23,100	22,439	(661)	(2.9%)
City Contributions				
Medical	8,492,150	8,321,998	(170,152)	(2.0%)
Dental	417,900	397,727	(20,173)	(4.8%)
Vision	66,650	64,646	(2,004)	(3.0%)
Cobra contributions	163,450	96,078	(67,372)	(41.2%)
Subrogation recovery	20,000	64	(19,936)	(99.7%)
Wellness reimbursement	65,500	31,162	(34,338)	(52.4%)
Pharmacy rebate	649,150	149,841	(499,309)	(76.9%)
Miscellaneous Revenue	-	27,500	27,500	-
Prior Year Recovery	-	16	16	-
Interest revenue	64,800	67,540	2,740	4.2%
Total operating revenues	<u>11,777,250</u>	<u>10,949,831</u>	<u>(827,419)</u>	<u>(7.0%)</u>
<b>OPERATING EXPENSES</b>				
Personnel (Wages/Benefits)	100,450	112,718	(12,268)	(12.2%)
Wellness				
Work/life balance	57,610	28,369	29,241	50.8%
Books & subscriptions	132	-	132	100.0%
Special event hosting	264	-	264	100.0%
Administration				
Medical	306,916	405,379	(98,463)	(32.1%)
Medical stop loss	516,510	669,748	(153,238)	(29.7%)
Dental	19,482	21,815	(2,333)	(12.0%)
Vision	7,960	10,279	(2,319)	(29.1%)
Claims				
Medical	6,507,546	5,756,529	751,017	11.5%
Pharmacy	2,195,861	2,129,173	66,688	3.0%
Dental	515,147	532,727	(17,580)	(3.4%)
Vision	76,344	99,084	(22,740)	(29.8%)
Professional outside services	54,004	79,171	(25,167)	(46.6%)
Travel & training	1,759	275	1,484	84.4%
Dues & membership	176	-	176	100.0%
Limited purpose flex spending	6,421	10,381	(3,960)	(61.7%)
Federal medical insurance fees	4,090	-	(108,628)	(2,656.0%)
Total operating expenses	<u>10,370,671</u>	<u>9,855,648</u>	<u>402,305</u>	<u>3.9%</u>
Operating income (loss)	<u>1,406,579</u>	<u>1,094,183</u>	<u>(425,114)</u>	
<b>NONOPERATING REVENUES</b>				
<b>(EXPENSES)</b>				
Total nonoperating revenues (expenses)		-		
Income (loss) before contributions and transfers	<u>1,406,579</u>	<u>1,094,183</u>	<u>(425,114)</u>	
Change in net position	<u>1,406,579</u>	<u>\$ 1,094,183</u>	<u>\$ (425,114)</u>	

# City of Surprise, Arizona

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

Workers' Compensation Fund

For the quarter ended December 31, 2024

	Second Quarter Budget	FY 2025 Actual	Variance favorable (unfavorable)	% Variance
<b>OPERATING REVENUES</b>				
City Contributions				
Worker's comp	1,307,100	\$ 1,307,100	\$ -	0.00%
Subrogation recovery	-	-	-	-
Claim Expense Reimbursement	-	35,717	35,717.00	-
Recovery of PY	-	1,184	1,184.00	-
Interest revenue	-	80,389	80,389.00	-
Total operating revenues	<u>1,307,100</u>	<u>1,424,390</u>	<u>117,290</u>	
<b>OPERATING EXPENSES</b>				
Personnel (Wages/Benefits)	72,500	72,267	233	0.32%
Administration			-	-
Claim Settlement	270,633	591,095	(320,462)	-118.41%
Municipal Firefighters Cancer	500,000	398,674	101,326	20.27%
Software license	24,116	-	24,116	100.00%
Taxes, Charges, Service Fees	19,293	-	19,293	100.00%
Other professional services	45,552	27,481	18,071	39.67%
Total operating expenses	<u>932,093</u>	<u>1,089,517</u>	<u>(157,424)</u>	
Operating income (loss)	<u>375,007</u>	<u>334,873</u>	<u>(40,134)</u>	
Income (loss) before contributions and transfers	<u>375,007</u>	<u>334,873</u>	<u>(375,007)</u>	
Transfers in		-	-	
Change in net position	<u>375,007</u>	<u>\$ 334,873</u>	<u>\$ (375,007)</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	3,366,988			7,885,702

### 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)	1,458,692			1,094,183

### 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
2025	95,435	203,396			298,830

## Pharmacy Rebate by Fiscal Year

	<b>HMO</b>	<b>PPO</b>	<b>EPO</b>	<b>Total By Year</b>
	<b>90216211</b>	<b>90216214</b>	<b>90216215</b>	
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
<b>Total By Plan</b>	<b>\$ 2,664,566</b>	<b>\$ 1,513,961</b>	<b>\$ 836,176</b>	<b>\$ 5,014,704</b>

**FY2025 IBNR**  
**Medical, Dental and Vision Activity**

	<b>Medical</b>	<b>Dental</b>	<b>Vision</b>	<b>Total</b>
July	\$ 699,959	\$ 31,880	\$ 3,785	\$ 735,624
August	212,307	5,420	130	217,857
September	147,536	4,687	(59)	152,164
October	118,840	894	-	119,734
November	43,544	2,291	-	45,835
December	9,242	929	-	10,171
<b>Total FY 2024 Claims Run out</b>	<b><u>\$ 1,231,428</u></b>	<b><u>\$ 46,102</u></b>	<b><u>\$ 3,856</u></b>	<b><u>\$ 1,281,385</u></b>
 IBNR Valuation as of June 30, 2025	 \$ 1,540,000 (308,572)	 \$ 47,300 (1,199)	 \$ 4,200 (344)	
 FY2024 IBNR		 \$ 1,591,500		
Total Run Out Claims FY2025		<u>(1,281,385)</u>		
Medical Claim Adjustment - Revenue to Fund		<u>\$ 310,115</u>		



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: March 5, 2025

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 approval of the recommended FY2026 Health Benefit Trust Fund Budget

Motion:

I move to recommend approval of the FY2026 Health Benefit Trust Fund Budget for both sources and uses.

Background:

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

Staff has conducted a thorough review of plan design and anticipated plan expenses for FY2026 (beginning July 1, 2025). We will present the planned contribution strategy. We will also demonstrate the effect of the contribution changes on the financial position of the trust fund.

Objective Analysis:

Policy Compliant:

This item is compliant with the Comprehensive Financial Management Policies.

Financial Impact:

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

Budget Impact:

Approving this item will set a budget for the Health Benefits Trust Fund. The sources total \$26.2 Million. This includes Employer Contributions for Medical of \$18.8 Million, Dental \$0.9 Million, and Vision of \$0.2 Million. Employee Contributions for Medical of \$3.6 Million, Dental \$0.4 Million, and

Vision \$0.5K. Rebates and COBRA Sources total \$2.0 Million, and Wellness reimbursements and Interest totaling \$0.3 Million.

The uses total \$26.2 Million. This includes estimated expenses for Medical in the amount of \$24.1 Million, Dental of \$1.4 Million, and Vision \$0.2 Million. There are also personnel, supplies, and service uses totaling \$0.5 Million.

**FTE Impact:**

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**ATTACHMENTS:**

1. FY26 Budget\_Health Benefits Budget Overview\_JK
-

# WELCOME

## Health Benefits Trust Fund

March 5, 2025



**SURPRISE**

ARIZONA

# Self Insured Program

- Established by City Council in May 2010
- Medical, Dental & Vision coverage
  - Medical – Blue Cross Blue Shield
    - HMO
    - PPO
    - EPO
  - Dental – Delta Dental
  - Vision - Avesis
- Funding Mechanism
  - Employee & Employer premiums
- Restricted Fund
  - Adverse claims reserve – 25% of expected claims

# Health Benefits Trust

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- Established by City Council in August 2011
- Board of Trustees
  - Provides oversight and ensures financial stability
- Benefits Consultant - CBIZ
  - Provides actuarial assumptions and claim projections
- City Staff - Human Resources & Finance
  - Assesses plan design and benefits offered
  - Budgeting, accounting

# Medical & Pharmacy Historical Trend



# FY2026 Budget Assumptions

- CBIZ Recommended Increases
  - Medical 3.92%
  - Dental 5.72%
  - Vision 2.99%
- No plan design changes
- Transfer only what is needed to pay claims incurred
  - 100% of employee contributions will be transferred
  - Maintain fund balance

# Financial Position of the Trust

	FY2022	FY2023	FY2024	FY2025*	FY2026
Beginning Balance	\$7.1M	\$7.2M	\$6.8M	\$6.8M	\$6.8M
Total Sources	15.4M	17.2M	19.9M	19.4M	26.2M
Total Uses	(15.3M)	(17.6M)	(19.9M)	(19.4M)	26.2M
<b>Ending Balance</b>	<b>\$7.2M</b>	<b>\$6.8M</b>	<b>\$6.8M</b>	<b>\$6.8M</b>	<b>\$6.8M</b>
<b>Required Reserve</b>	3.3M	3.9M	4.4M	5.3M	5.8M
<b>Unrestricted</b>	\$3.9M	\$2.9M	\$2.4M	\$1.5M	\$1.0M

\*Estimate

# Questions or Comments?

THANK YOU



**SURPRISE**

ARIZONA



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

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Council Meeting Date: March 5, 2025  
Submitting Department: Finance  
Staff Recommendations:

Contact Person:  
District: Citywide

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

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**Agenda Wording:**

Consideration and action pertaining to the approval of the FY2026 Workers' Compensation Plan Budget

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**Motion:**

I move to recommend approval of the FY2026 Workers' Compensation Plan Funding.

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**Background:**

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

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**Objective Analysis:**

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**Policy Compliant:**

This item is compliant with the Comprehensive Financial Management Policies.

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**Financial Impact:**

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

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**Budget Impact:**

Approving this item will set a budget for the Workers Compensation Fund. The sources total \$1.4 million and is based on the number of employees hired, the employees' risk code, and the salary of the employees. The uses total \$1.4 million, to include funding for claims, taxes, software, professional services, general insurance administration, and personnel.

**FTE Impact:**

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**ATTACHMENTS:**

1. March 2025 WC Budget Update



# FY2026 Workers Compensation Update

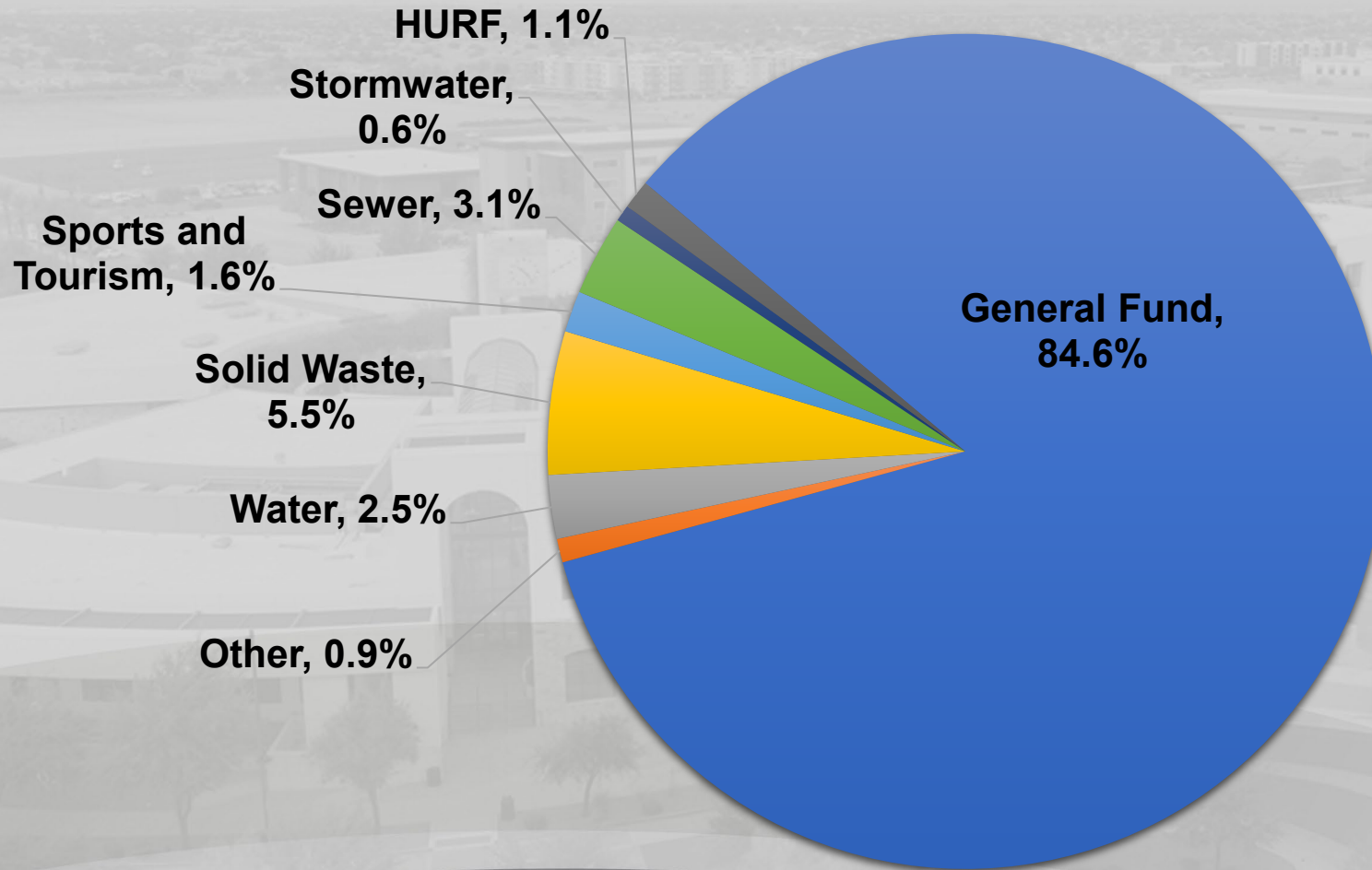
Health Benefits Trust Fund Board  
March 5, 2025



**SURPRISE**  
ARIZONA

# Financial Position of the WC Trust

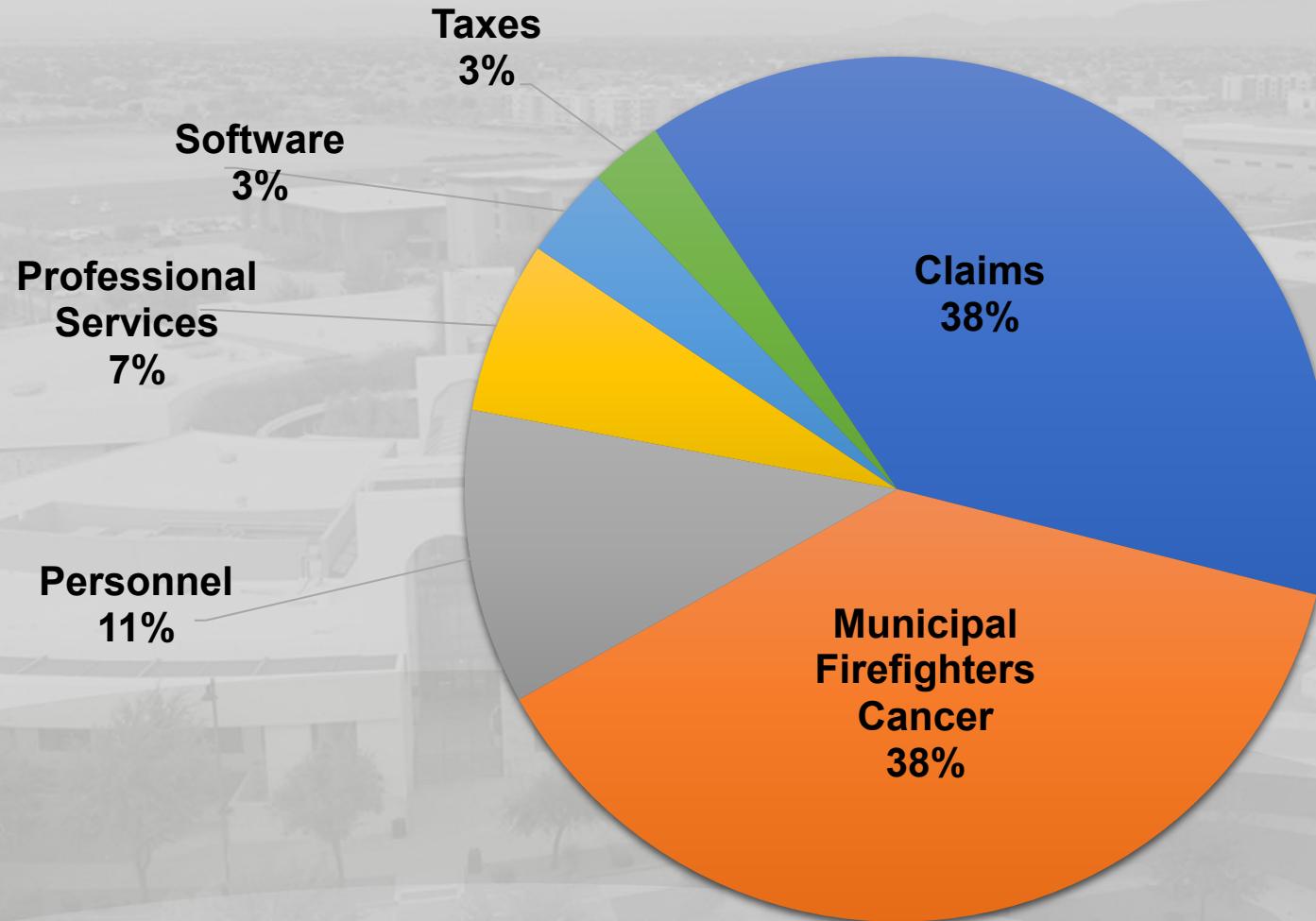
## Ongoing Sources



**FY25 Budget of  
\$1,307,100**

# Financial Position of the WC Trust

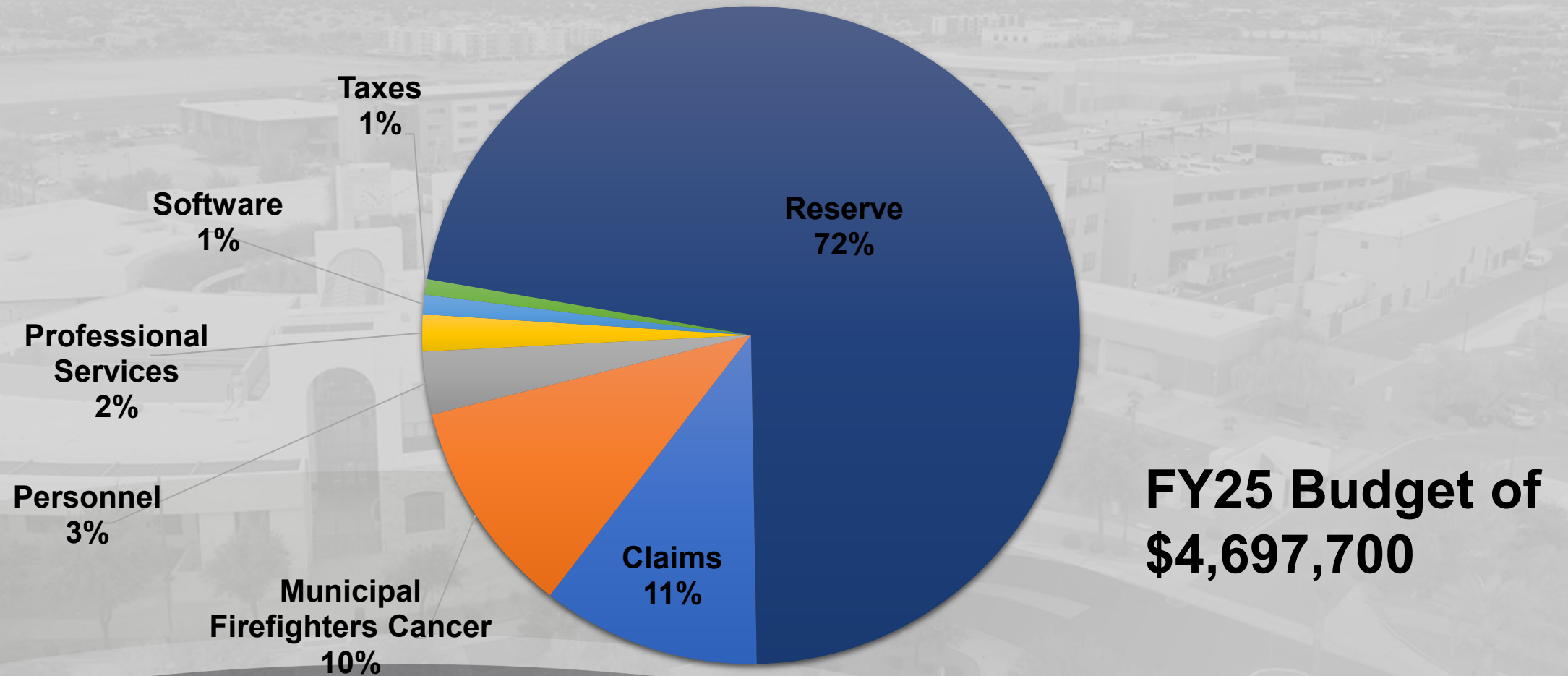
## Ongoing Uses



**FY25 Budget of  
\$1,316,000**

# Financial Position of the WC Trust

## Uses Including Reserves



# FY2026 WC Budget Detail

Program/Object	FY2026 Budget
<b><u>16411 - Workers Compensation</u></b>	
50*** – Personnel	135,900
55023 - Prof Svc-Legal Services	10,000
55095 - Professional_ Outside Svc-Other	75,000
55530 - Claim Settlement	600,000
55531 - Bloodborne Exposure Clm Settle	40,000
55532 - Municipal Firefighters Cancer	500,000
<b>16411 - Workers Compensation Total</b>	<b>1,360,900</b>
<b>9030 - WORKERS' COMPENSATION TOTAL</b>	<b>1,360,900</b>
<b>*Fully-Insured Premium</b>	<b>1,750,000</b>

**It is recommended to assess Workers' Compensation Program premiums in the amount of \$3,110,900 for FY26, using an updated departmental contribution calculation.**



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# Questions or Comments?

THANK YOU



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