



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
 Wednesday, June 4, 2025 @ 4:00 PM
COUNCIL CHAMBERS OVERFLOW ROOM

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

CALL TO THE PUBLIC:

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

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

CONSENT AGENDA:

- 1. Citywide Consideration and action pertaining to approval of the March 5, 2025 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 3rd Quarter Report. Andrea Davis
Finance
- 3. Citywide Presentation and discussion pertaining to the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund Financial Reports for FY2025 3rd Quarter Andrea Davis
Finance

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

KRISTI PASSARELLI, CITY CLERK

POSTED: Thursday, May 29th 2025 @ 11:30am

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

Council Meeting Date: June 4, 2025

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 March 5, 2025 Health Benefits Trust Fund Board meeting minutes.

Motion:

I move to approve the March 5, 2025 Health Benefits Trust Fund Board meeting minutes.

Background:

Attached are the minutes from the March 5, 2025 meeting

Objective Analysis:

Policy Compliant:

Financial Impact:

No financial impact.

Budget Impact:

No budget impact.

FTE Impact:

No FTE impact.

ATTACHMENTS:

1. HBTF MINUTES 03.05.25 DRAFT
-

CITY OF SURPRISE

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

March 5, 2025

MEETING MINUTES

CALL TO ORDER

Chairperson William Coniam called the Health Benefits Trust Fund Meeting to order at 3:04 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, March 5, 2025.

ROLL CALL

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

STAFF PRESENT:

Digger Oster, Risk Manager – Senior; Ariana Reyna, Human Resources Business Partner; Erick Martin, Assistant Director – Finance; Michell Fite, Human Resources Business Partner; Jenna Klidas, Financial Management Analyst - Senior

PLEDGE OF ALLEGIANCE

CURRENT EVENTS REPORT

None

STAFF REPORT

None

CALL TO THE PUBLIC

None

CONSENT AGENDA

Item 1: Consideration and action pertaining to approval of the December 4, 2024 Health Benefits Trust Fund Board meeting minutes.

- Vice Chair Candace Rachal made a motion to approve the minutes for the December 4, 2024 meeting. Board Member Barbara Minick seconded the motion. Motion passed.

REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING

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

- Melissa Barbakoff presented CBIZ Consulting's FY2025 2nd Quarter Report.
- David Zucarelli presented the City's pharmacy spend and rebate summary.

Item 3: Presentation and discussion pertaining to the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund Financial Report for FY2025 2nd Quarter.

- Erick Martin presented the FY2025 2nd Quarter Financial Report.

Item 4: Consideration and action pertaining to the approval of the recommended FY2026 Health Benefit Trust Fund Budget.

- Jenna Klidas presented the FY2026 Health Benefit Trust Fund Budget.
- Chair William Coniam made a motion to approve the FY2026 Health Benefit Trust Fund Budget. Board Member Barbara Minick seconded the motion. Motion passed.

Item 5: Consideration and action pertaining to the approval of the FY2026 Workers' Compensation Plan Budget.

- Digger Oster presented the FY2026 Workers' Compensation Plan Budget.
- Vice Chair Candace Rachal made a motion to approve the FY2026 Workers' Compensation Plan Budget. Board Member Barbara Minick seconded the motion. Motion passed.

OTHER BUSINESS

EXECUTIVE SESSION

No executive session was held.

ADJOURNMENT

Hearing no further business, Chair Coniam adjourned the Health Benefits Trust Fund meeting at 3:53 p.m.

William Coniam, Chair
Health Benefits Trust Fund Board



CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: June 4, 2025

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 CBIZ Consulting FY2025 3rd Quarter Report.

Motion:

None; Presentation and discussion only.

Background:

CBIZ Consulting will present the 3rd 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:

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

FTE Impact:

ATTACHMENTS:

1. City of Surprise Medical, Dental & Vision Experience 03 25- Final
-



City of Surprise

Medical, Pharmacy, Dental, and Vision Experience

Plan Year: July 2024 – June 2025

Month End: March 2025

Presented by: Mike Barberio, Melissa Barbakoff, and Lindsey Steinhoff

City of Surprise Executive Summary as of March 2025

Medical

The following report details claims paid through the third quarter of the plan year beginning July 2024.

Expected claims through the third quarter have come in at 79.8% of expected and 68.6% for maximum claim liability. Enrollment continues to increase month over month. Since the beginning of the plan year enrollment has increased by 3.9%. Medical claims for February and March were higher than we have seen in the prior seven months.

Pharmacy

Pharmacy claims have remained steady month over month. The average monthly claims are around \$370,000. For the FY25 plan year the City implemented the PaydHealth Savings Program. This program is netted \$292,266 in savings which is not reflected on this report. The PaydHealth works on behalf of members to secure high-cost specialty medication funding outside of the insurance plan. The plan also received its quarterly rebate in the amount of \$350,378.

Large Claims

There are 11 large claimants over the \$100K threshold and large claimants represent 18.5% of total spend. Three new large claimants are highlighted in green. Each of these claimants was a large claimant in a prior plan year. Currently there are only two claimants (#4 & #5) that were not claimants last year.

Claims Spend & Loss Ratio by Plan Design

- HMO -45% of total claims, 78.6% loss ratio
- PPO – 34% of total claims, 96.8% loss ratio
- EPO – 21% of total claims, 66.6% loss ratio

Prior Plan Year – 12 Month Run Out Period

Prior paid claims and administration section of the report shows that gross run out claims through March was \$1,741,260, after rebates and stop loss recoveries that amount drops to \$869,689. The prior plan year with claims through the third quarter performed at 90.8% 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 13.3% higher than PY24. This projection is still immature and can fluctuate over the plan year.

- **Medical Claims:** Including a completion factor and escalator load, are coming in 8.9% higher in comparison to PY24.
- **Pharmacy Claims:** 15.4% higher than the PY24 plan year. (Gross) Prior to rebates.

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

Dental

Dental claims are performing slightly higher than expected. The current loss ratio through March is 103.9%. Through March the dental paid claims per employee, per month (PEPM) is \$97.75. On the Annual Cost Comparison slide, the FY2025 Total Cost for dental is projected to be 3.8% higher than the prior year.

Vision

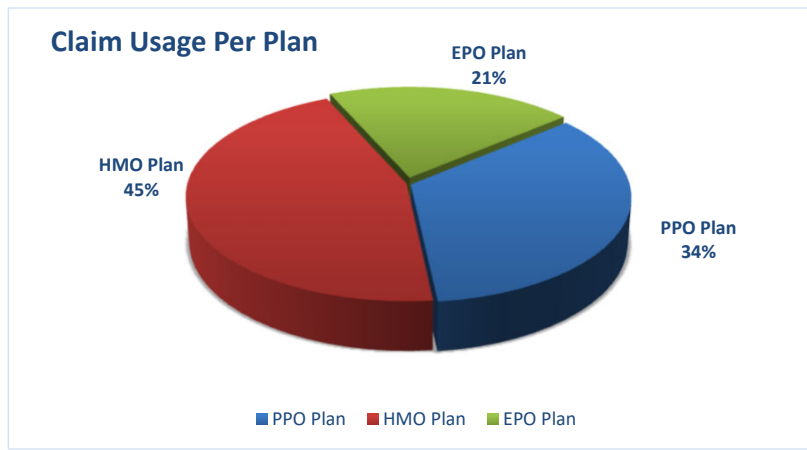
Vision claims through March continue to run high. The current loss ratio is 128.6%. Through March the vision paid claims per employee, per month (PEPM) is \$17.35. On the Annual Cost Comparison slide, the FY2025 Total Cost for dental is projected to be 35.8% higher than the prior year.

City of Surprise
Paid Claims and Administration
Plan Year: July 2024 to June 2025 (as of March 2025)
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 | Fixed Costs | Total Paid Claims & Fixed Costs | 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 & Fixed Costs 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 | \$ 370,197 | \$ 13,050 | \$ - | \$ 1,838 | \$ 8,063 | \$ 2,128 | \$ - | \$ 1,415,392 | \$ 153,655 | \$ 1,569,047 | 93.7% | 80.6% | \$ 1,039.42 | \$ 385.95 | \$ 1,425.37 | \$ 1,425.37 | \$ 1,580.11 |
| Sep-24 | 996 | \$ 1,514,133 | \$ 1,760,623 | \$ 905,336 | \$ 329,327 | \$ 20,212 | \$ - | \$ 1,793 | \$ 7,967 | \$ 2,190 | \$ - | \$ 1,266,825 | \$ 154,117 | \$ 1,420,942 | 83.7% | 72.0% | \$ 920.97 | \$ 350.94 | \$ 1,271.91 | \$ 1,271.91 | \$ 1,426.65 |
| 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 | \$ 373,880 | \$ 16,502 | \$ - | \$ 1,823 | \$ 8,236 | \$ 4,463 | \$ - | \$ 896,990 | \$ 154,893 | \$ 1,051,883 | 58.9% | 50.6% | \$ 506.10 | \$ 389.99 | \$ 896.09 | \$ 896.09 | \$ 1,050.83 |
| Dec-24 | 1,007 | \$ 1,530,272 | \$ 1,779,999 | \$ 834,870 | \$ 367,955 | \$ 10,174 | \$ (289,501) | \$ 2,584 | \$ 8,055 | \$ 2,316 | \$ - | \$ 936,451 | \$ 155,822 | \$ 1,092,273 | 61.2% | 52.6% | \$ 841.93 | \$ 375.50 | \$ 929.94 | \$ 929.94 | \$ 1,084.68 |
| Jan-25 | 1,003 | \$ 1,522,980 | \$ 1,771,180 | \$ 821,976 | \$ 414,428 | \$ 11,355 | \$ - | \$ 1,755 | \$ 8,116 | \$ 2,382 | \$ (152,767) | \$ 1,107,246 | \$ 155,203 | \$ 1,262,449 | 72.7% | 62.5% | \$ 831.73 | \$ 424.51 | \$ 1,256.24 | \$ 1,103.93 | \$ 1,258.67 |
| Feb-25 | 1,017 | \$ 1,538,043 | \$ 1,788,665 | \$ 1,486,354 | \$ 322,309 | \$ 17,984 | \$ - | \$ 2,017 | \$ 8,292 | \$ 2,530 | \$ (197,870) | \$ 1,641,615 | \$ 157,368 | \$ 1,798,983 | 106.7% | 91.8% | \$ 1,474.13 | \$ 334.60 | \$ 1,808.74 | \$ 1,614.17 | \$ 1,768.91 |
| Mar-25 | 1,021 | \$ 1,552,103 | \$ 1,804,134 | \$ 1,618,898 | \$ 493,977 | \$ 18,932 | \$ (350,378) | \$ 1,765 | \$ 8,192 | \$ 2,389 | \$ (6,364) | \$ 1,787,411 | \$ 157,988 | \$ 1,945,399 | 115.2% | 99.1% | \$ 1,597.69 | \$ 502.36 | \$ 1,756.88 | \$ 1,750.65 | \$ 1,905.39 |
| Apr-25 | | | | | | | | | | | | | | | | | | | | | |
| May-25 | | | | | | | | | | | | | | | | | | | | | |
| Jun-25 | | | | | | | | | | | | | | | | | | | | | |
| Total | 9,019 | \$ 13,712,534 | \$ 15,944,512 | \$ 8,382,164 | \$ 3,315,774 | \$ 125,257 | \$ (639,879) | \$ 17,405 | \$ 73,083 | \$ 20,551 | \$ (357,001) | \$10,937,354 | \$ 1,395,579 | \$12,332,932 | 79.8% | 68.6% | \$ 941.70 | \$ 367.64 | \$ 1,252.28 | \$ 1,212.70 | \$ 1,367.44 |
| Avg | 1,002 | | | | | | | | | | | | | | | | | | | | |

| Fixed Costs | 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 Fixed Costs | \$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 March 2025)
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 | Fixed Costs | 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 & Fixed Costs 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 | \$ 132,354 | \$ - | \$ 536,207 | \$ 54,902 | \$ 591,109 | 99.2% | 82.5% | \$1,140.83 | \$373.88 | \$1,514.71 | \$1,669.80 |
| 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 | \$ 100,444 | \$ - | \$ 278,320 | \$ 55,832 | \$ 334,152 | 50.6% | 42.1% | \$494.10 | \$279.01 | \$773.11 | \$928.20 |
| Dec-24 | 364 | \$ 555,184 | \$ 667,808 | \$ 329,739 | \$ 159,105 | \$ - | \$ 488,844 | \$ 56,453 | \$ 545,297 | 88.1% | 73.2% | \$905.88 | \$437.10 | \$1,342.98 | \$1,498.07 |
| Jan-25 | 362 | \$ 550,981 | \$ 662,887 | \$ 401,127 | \$ 111,164 | \$ (152,767) | \$ 359,524 | \$ 56,143 | \$ 415,666 | 65.3% | 54.2% | \$1,108.08 | \$307.08 | \$1,415.17 | \$1,148.25 |
| Feb-25 | 365 | \$ 555,189 | \$ 667,992 | \$ 561,552 | \$ 87,425 | \$ (197,870) | \$ 451,107 | \$ 56,608 | \$ 507,715 | 81.3% | 67.5% | \$1,538.50 | \$239.52 | \$1,778.02 | \$1,391.00 |
| Mar-25 | 368 | \$ 561,494 | \$ 675,373 | \$ 463,291 | \$ 205,454 | \$ (6,364) | \$ 662,380 | \$ 57,073 | \$ 719,453 | 118.0% | 98.1% | \$1,258.94 | \$558.30 | \$1,817.24 | \$1,955.04 |
| Apr-25 | | | | | | | | | | | | | | | |
| May-25 | | | | | | | | | | | | | | | |
| Jun-25 | | | | | | | | | | | | | | | |
| Total | 3,241 | \$ 4,935,197 | \$ 5,937,287 | \$ 3,172,492 | \$ 1,086,649 | \$ (357,001) | \$ 3,902,140 | \$ 502,647 | \$ 4,404,787 | 79.1% | 65.7% | \$978.86 | \$335.28 | \$1,314.14 | \$1,359.08 |
| Avg | 360 | | | | | | | | | | | | | | |

| Fixed Costs | 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 Fixed Costs | \$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 | 113 | 73 | 172 | 358 |
| September | 107 | 75 | 172 | 354 |
| October | 107 | 76 | 174 | 357 |
| November | 107 | 80 | 173 | 360 |
| December | 109 | 80 | 175 | 364 |
| January | 109 | 80 | 173 | 362 |
| February | 110 | 81 | 174 | 365 |
| March | 110 | 81 | 177 | 368 |
| April | 0 | 0 | 0 | 0 |
| May | 0 | 0 | 0 | 0 |
| June | 0 | 0 | 0 | 0 |
| Totals | 982 | 699 | 1,560 | 3,241 |

City of Surprise
Paid Claims and Administration
Plan Year: July 2024 to June 2025 (as of March 2025)
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 | Fixed Costs | 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 & Fixed Costs 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 | 348 | \$ 590,583 | \$ 685,806 | \$ 411,944 | \$ 130,516 | \$ - | \$ 542,460 | \$ 53,780 | \$ 596,240 | 91.9% | 79.1% | \$1,183.75 | \$375.05 | \$1,558.79 | \$1,713.33 |
| Jan-25 | 344 | \$ 584,032 | \$ 678,175 | \$ 264,785 | \$ 184,253 | \$ - | \$ 449,037 | \$ 53,162 | \$ 502,199 | 76.9% | 66.2% | \$769.72 | \$535.62 | \$1,305.34 | \$1,459.88 |
| Feb-25 | 343 | \$ 583,020 | \$ 676,929 | \$ 792,032 | \$ 167,267 | \$ - | \$ 959,300 | \$ 53,007 | \$ 1,012,307 | 164.5% | 141.7% | \$2,309.13 | \$487.66 | \$2,796.79 | \$2,951.33 |
| Mar-25 | 345 | \$ 586,546 | \$ 681,010 | \$ 757,702 | \$ 173,020 | \$ - | \$ 930,722 | \$ 53,316 | \$ 984,038 | 158.7% | 136.7% | \$2,196.24 | \$501.51 | \$2,697.74 | \$2,852.28 |
| Apr-25 | | | | | | | | | | | | | | | |
| May-25 | | | | | | | | | | | | | | | |
| Jun-25 | | | | | | | | | | | | | | | |
| Total | 3,122 | \$ 5,281,933 | \$ 6,135,247 | \$ 3,690,791 | \$ 1,421,086 | \$ - | \$ 5,111,877 | \$ 482,474 | \$ 5,594,351 | 96.8% | 83.3% | \$1,182.19 | \$455.18 | \$1,637.37 | \$1,791.91 |
| Avg | 347 | | | | | | | | | | | | | | |

| Fixed Costs | 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 Fixed Costs | \$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 |

| 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 | 83 | 190 | 348 |
| January | 74 | 82 | 188 | 344 |
| February | 75 | 78 | 190 | 343 |
| March | 76 | 77 | 192 | 345 |
| April | 0 | 0 | 0 | 0 |
| May | 0 | 0 | 0 | 0 |
| June | 0 | 0 | 0 | 0 |
| Totals | 688 | 735 | 1,699 | 3,122 |

City of Surprise
Paid Claims and Administration
Plan Year: July 2024 to June 2025 (as of March 2025)
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 | Fixed Costs | 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 & Fixed Costs 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 | \$ 101,913 | \$ - | \$ 214,265 | \$ 44,198 | \$ 258,464 | 56.0% | 50.6% | \$392.84 | \$356.34 | \$749.18 | \$903.72 |
| 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 | \$ 384,506 | \$ 426,385 | \$ 93,187 | \$ 78,333 | \$ - | \$ 171,520 | \$ 45,589 | \$ 217,109 | 44.6% | 40.2% | \$315.89 | \$265.54 | \$581.42 | \$735.96 |
| Jan-25 | 297 | \$ 387,967 | \$ 430,119 | \$ 156,065 | \$ 119,012 | \$ - | \$ 275,077 | \$ 45,898 | \$ 320,976 | 70.9% | 64.0% | \$525.47 | \$400.71 | \$926.19 | \$1,080.73 |
| Feb-25 | 309 | \$ 399,833 | \$ 443,743 | \$ 132,769 | \$ 67,616 | \$ - | \$ 200,386 | \$ 47,753 | \$ 248,138 | 50.1% | 45.2% | \$429.67 | \$218.82 | \$648.50 | \$803.04 |
| Mar-25 | 308 | \$ 404,063 | \$ 447,751 | \$ 397,905 | \$ 115,503 | \$ - | \$ 513,408 | \$ 47,598 | \$ 561,007 | 127.1% | 114.7% | \$1,291.90 | \$375.01 | \$1,666.91 | \$1,821.45 |
| Apr-25 | | | | | | | | | | | | | | | |
| May-25 | | | | | | | | | | | | | | | |
| Jun-25 | | | | | | | | | | | | | | | |
| Total | 2,656 | \$ 3,495,405 | \$ 3,871,978 | \$ 1,518,881 | \$ 808,039 | \$ - | \$ 2,326,920 | \$ 410,458 | \$ 2,737,378 | 66.6% | 60.1% | \$571.87 | \$304.23 | \$876.10 | \$1,030.64 |
| Avg | 295 | | | | | | | | | | | | | | |

| Fixed Costs | 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 Fixed Costs | \$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 |

| Month | Number of Enrollees by Month | | | Total |
|---------------|------------------------------|------------|--------------|--------------|
| | EE | EE + 1 | EE + Fam | |
| 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 | 118 | 54 | 123 | 295 |
| January | 117 | 57 | 123 | 297 |
| February | 126 | 56 | 127 | 309 |
| March | 121 | 57 | 130 | 308 |
| April | 0 | 0 | 0 | 0 |
| May | 0 | 0 | 0 | 0 |
| June | 0 | 0 | 0 | 0 |
| Totals | 1,028 | 508 | 1,120 | 2,656 |

City of Surprise
Paid Claims and Administration
Plan Year: July 2023 to June 2024 (as of March 2025)
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 | PaydHealth Rx Expense | Blue Card Claims Expense & Misc. | Capitation Fees | Value Based Services | Stop Loss Recovery | Total Paid Claims | Fixed Costs | 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 & Fixed Costs 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 | \$ 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 | \$ 17,950 | \$ - | \$ - | \$ 55 | \$ - | \$ - | \$ 18,005 |
| Feb-25 | \$ 181,429 | \$ - | \$ - | \$ 0 | \$ - | \$ (146,631) | \$ 34,798 |
| Mar-25 | \$ 15,041 | \$ - | \$ - | \$ (2) | \$ - | \$ (1,055) | \$ 13,983 |
| Apr-25 | | | | | | | \$ - |
| May-25 | | | | | | | \$ - |
| Jun-25 | | | | | | | \$ - |
| Total | \$ 1,741,260 | \$ 1,897 | \$ (430,420) | \$ 3,479 | \$ (9) | \$ (446,517) | \$ 869,689 |

2023-2024 Medical Plan Costs with Runout

| Total Claims Incurred for Time Period | Total Stop Loss Recovery | Total Paid Claims Net Runout | Total Fixed Costs | Total Paid Claims and Admin Costs | % Actual Claims vs. Expected | % Actual Claims vs. Maximum Claim Liability | Total Paid Claims & Fixed Costs PEPM |
|---------------------------------------|--------------------------|------------------------------|-------------------|-----------------------------------|------------------------------|---|--------------------------------------|
| \$ 15,673,584 | \$ (969,673) | \$ 14,703,911 | \$ 1,675,068 | \$ 16,378,979 | 90.8% | 80.2% | \$ 1,437.64 |

City of Surprise
Plan Year: July 2024 to June 2025 (as of March 2025)
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* | \$12,389,289 | \$1,087.45 | \$14,242,972 | \$1,184.41 | 14.96% | \$1,853,683 | 8.9% | \$96.97 | 2014/2015 | \$1,079.93 | |
| Rx Claims Costs | \$4,644,959 | \$407.70 | \$5,658,921 | \$470.58 | 21.83% | \$1,013,961 | 15.4% | \$62.88 | 2015/2016 | \$1,160.82 | 7.5% |
| PaydHealth Rx Savings | | | \$167,010 | \$13.89 | | | | | 2016/2017 | \$1,202.07 | 3.6% |
| Rx Rebates | (\$1,515,510) | (\$133.02) | (\$2,140,598) | (\$178.01) | 41.25% | (\$625,088) | 33.8% | (\$44.99) | 2017/2018 | \$1,151.77 | -4.2% |
| Blue Card, Capitation Expenses, Misc and Value Based Services | \$154,845 | \$13.59 | \$148,052 | \$12.31 | -4.39% | (\$6,793) | -9.4% | (\$1.28) | 2018/2019 | \$1,200.23 | 4.2% |
| Stop Loss Recoveries | (\$969,673) | (\$85.11) | (\$357,001) | (\$29.69) | n/a | \$612,672 | n/a | \$55.42 | 2019/2020 | \$1,201.50 | 0.1% |
| Fixed Costs | \$1,675,068 | \$147.03 | \$1,860,772 | \$154.74 | 11.09% | \$185,703 | 5.2% | \$7.71 | 2020/2021 | \$1,178.50 | -1.9% |
| Total Costs | \$16,378,979 | \$1,437.64 | \$19,580,127 | \$1,628.24 | 19.5% | \$3,201,148 | 13.3% | \$190.60 | 2021/2022 | \$1,289.40 | 9.4% |
| | | | | | | | | | 2022/2023 | \$1,420.82 | 10.2% |
| | | | | | | | | | 2023/2024 | \$1,437.64 | 1.2% |
| | | | | | | | | | 2024/2025 (Est.) | \$1,628.24 | 13.3% |

| | Annual | Annualized | % Enrollment Change | # Enrollment Change |
|------------|--------|------------|---------------------|---------------------|
| Enrollment | 11,393 | 12,025 | 5.55% | 632 |

*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 |
|---|-----------------------|-------------------|-----------------------|-------------------|---------------|--------------------|---------------|----------------|
| | | | | | | | | |
| Rx Claims Costs | \$3,417,768 | \$326.00 | \$4,644,959 | \$407.70 | 35.91% | \$1,227,191 | 25.1% | \$81.70 |
| Rx Rebates | (\$1,080,711) | (\$103.08) | (\$1,515,510) | (\$133.02) | 40.23% | (\$434,799) | 29.0% | (\$29.94) |
| Blue Card, Capitation Expenses, Misc and Value Based Services | \$134,509 | \$12.83 | \$154,845 | \$13.59 | 15.12% | \$20,336 | 5.9% | \$0.76 |
| Stop Loss Recoveries | (\$753,712) | (\$71.89) | (\$969,673) | (\$85.11) | n/a | (\$215,961) | n/a | (\$13.22) |
| Fixed Costs | \$1,532,803 | \$146.20 | \$1,675,068 | \$147.03 | 9.28% | \$142,265 | 0.6% | \$0.82 |
| Total Costs | \$14,895,870 | \$1,420.82 | \$16,378,979 | \$1,437.64 | 10.0% | \$1,483,109 | 1.2% | \$16.82 |

| | 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 March 2025)

| 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 | \$606,056 | \$945 | \$607,001 | \$600,637 | \$6,364 | 100.0% | (\$357,001) | \$250,000 |
| 2 | F002 | Y | Active | HMO | \$239,955 | \$54 | \$240,009 | \$158,529 | \$81,480 | 96.0% | | \$240,009 |
| 3 | F001 | Y | Active | HMO | \$223,786 | \$157 | \$223,943 | \$207,808 | \$16,135 | 89.6% | | \$223,943 |
| 4 | H002 | N | Termed | PPO | \$202,649 | \$218 | \$202,867 | \$202,867 | \$0 | 81.1% | | \$202,867 |
| 5 | H001 | N | Termed | EPO | \$158,526 | \$0 | \$158,526 | \$158,526 | \$0 | 63.4% | | \$158,526 |
| 6 | A007 | Y | Active | HMO | \$8,962 | \$144,013 | \$152,975 | \$131,899 | \$21,076 | 61.2% | | \$152,975 |
| 7 | C006 | Y | Active | EPO | \$702 | \$123,495 | \$124,197 | | \$124,197 | 49.7% | | \$124,197 |
| 8 | G004 | Y | Active | PPO | \$111,615 | \$7,900 | \$119,515 | | \$119,515 | 47.8% | | \$119,515 |
| 9 | E004 | Y | Active | PPO | \$4,203 | \$114,277 | \$118,479 | \$101,199 | \$17,280 | 47.4% | | \$118,479 |
| 10 | D014 | Y | Active | PPO | \$109,784 | \$4,565 | \$114,349 | \$113,608 | \$741 | 45.7% | | \$114,349 |
| 11 | C018 | Y | Active | HMO | \$71,608 | \$29,033 | \$100,641 | | \$100,641 | 40.3% | | \$100,641 |

| | | | | | | | |
|--------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|--------------------|
| Total | \$1,737,845 | \$424,658 | \$2,162,502 | \$1,675,072 | \$487,430 | (\$357,001) | \$1,805,501 |
|--------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|--------------------|

| | |
|---|--------------|
| Percentage of Large Claims vs. Medical & Rx Claims | 18.5% |
|---|--------------|

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 March 2025)

| 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 | \$1,028,509 | \$0 | \$1,028,509 | \$1,028,509 | \$0 | 100.0% | (\$778,509) | \$250,000 |
| 2 | F001 | Y | Active | HMO | \$377,775 | \$0 | \$377,775 | \$376,720 | \$1,055 | 100.0% | (\$127,775) | \$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 | \$243,451 | \$0 | 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 | \$177,663 | \$0 | \$177,663 | \$177,663 | \$0 | 71.1% | | \$177,663 |
| 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 | \$125,851 | \$3,177 | \$129,027 | \$129,012 | \$15 | 51.6% | | \$129,027 |
| 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 | G015 | N | Active | PPO | \$112,025 | \$0 | \$112,025 | \$115,460 | -\$3,435 | 44.8% | | \$112,025 |
| 21 | G006 | N | Termed | PPO | \$104,728 | \$6,877 | \$111,605 | \$111,605 | \$0 | 44.6% | | \$111,605 |
| 22 | G012 | N | Active | EPO | \$444 | \$105,107 | \$105,551 | \$105,551 | \$0 | 42.2% | | \$105,551 |
| 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 |
| Total | | | | | \$3,580,148 | \$1,635,970 | \$5,216,118 | \$5,218,482 | (\$2,365) | | (\$969,673) | \$4,246,445 |

| | |
|---|--------------|
| Percentage of Large Claims vs. Medical & Rx Claims | 30.6% |
|---|--------------|



City of Surprise PBM Summary

January 1, 2025 – December 31, 2025

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 3 rd Q rebates of \$289,500) |
| \$134.93 – Results thru December, 2024 | (does not include 4 th Q rebates of \$386,354) |

Current Calendar Year – 2025

| | |
|-------------------------------------|---|
| \$145.95 – Results thru March, 2025 | (does not include estimated 1 st Q rebates of \$325,000) |
|-------------------------------------|---|

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

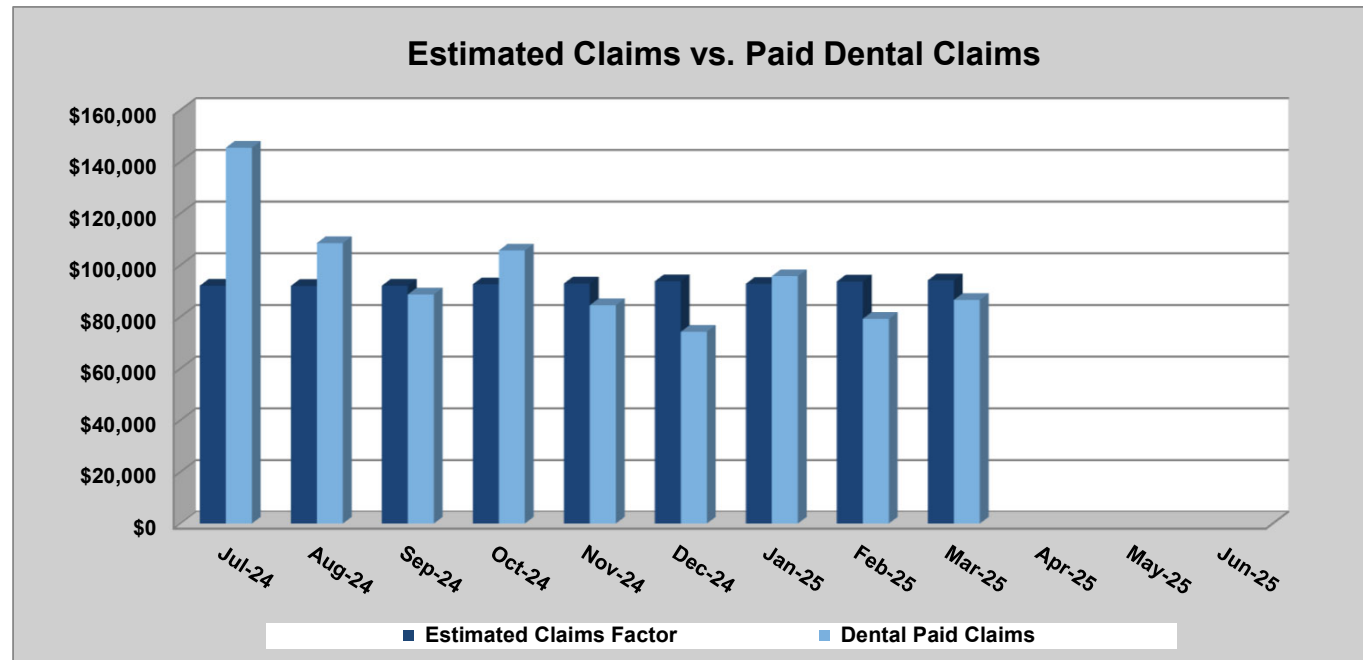
City of Surprise
Delta Dental Self Funded Paid Claims
 Plan Year: July 2024 to June 2025 (as of March 2025)

| 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 | 1,026 | \$92,576 | \$3,642 | \$105,661 | \$109,303 | 114.1% | \$102.98 | \$106.53 |
| Nov-24 | 1,029 | \$92,847 | \$3,653 | \$84,483 | \$88,136 | 91.0% | \$82.10 | \$85.65 |
| Dec-24 | 1,039 | \$93,749 | \$3,692 | \$74,185 | \$77,877 | 79.1% | \$71.40 | \$74.95 |
| Jan-25 | 1,028 | \$92,756 | \$3,653 | \$95,714 | \$99,367 | 103.2% | \$93.11 | \$96.66 |
| Feb-25 | 1,038 | \$93,659 | \$3,692 | \$79,198 | \$82,890 | 84.6% | \$76.30 | \$79.86 |
| Mar-25 | 1,043 | \$94,110 | \$3,710 | \$86,488 | \$90,197 | 91.9% | \$82.92 | \$86.48 |
| Apr-25 | | | | | | | | |
| May-25 | | | | | | | | |
| Jun-25 | | | | | | | | |
| Total | 9,262 | \$835,710 | \$32,901 | \$868,312 | \$901,213 | 103.9% | \$93.75 | \$97.30 |
| Avg PEPM Enrollment | 1029 | | | | | | | |

| 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 |



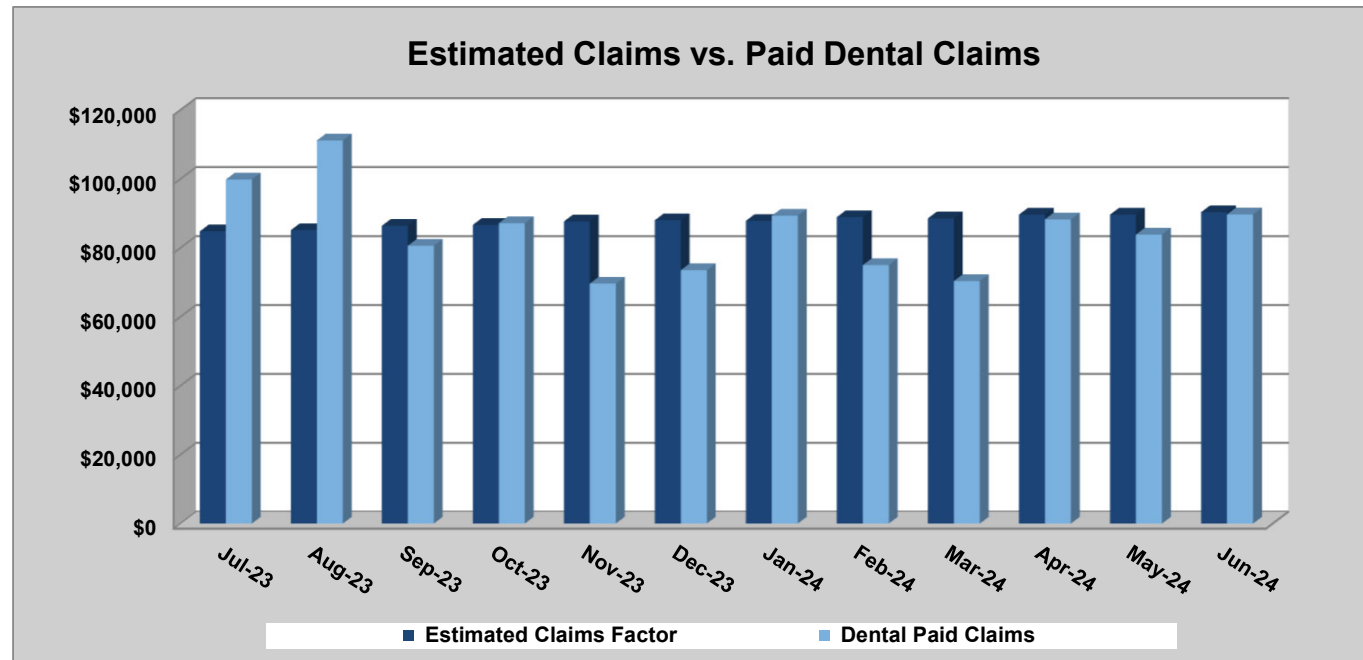
City of Surprise
Delta Dental Self Funded Paid Claims
Plan Year: July 2023 to June 2024

| 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 March 2025)

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 | \$1,111,439 | \$90.00 |
| Admin Fees | \$41,773 | \$3.55 | \$43,869 | \$3.55 |
| Total Costs | \$1,060,224 | \$90.10 | \$1,155,308 | \$93.55 |

| % Cost Change | \$ Cost Change | % PEPM Change | \$ PEPM Change |
|---------------|-----------------|---------------|----------------|
| 9.1% | \$92,988 | 4.0% | \$3.45 |
| 5.0% | \$2,096 | 0.1% | \$0.00 |
| 9.0% | \$95,084 | 3.8% | \$3.45 |

| 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 | \$93.55 | 3.8% |

| | Annual |
|------------|--------|
| Enrollment | 11,767 |

| Annualized |
|------------|
| 12,349 |

| % Enrollment Change | # Enrollment Change |
|---------------------|---------------------|
| 4.9% | 582 |

*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 |
|------------|--------|
| Enrollment | 10,811 |

| Annual |
|--------|
| 11,767 |

| % Enrollment Change | # Enrollment Change |
|---------------------|---------------------|
| 8.8% | 956 |



Vision Reports

City of Surprise

Avesis Vision Self Funded Paid Claims

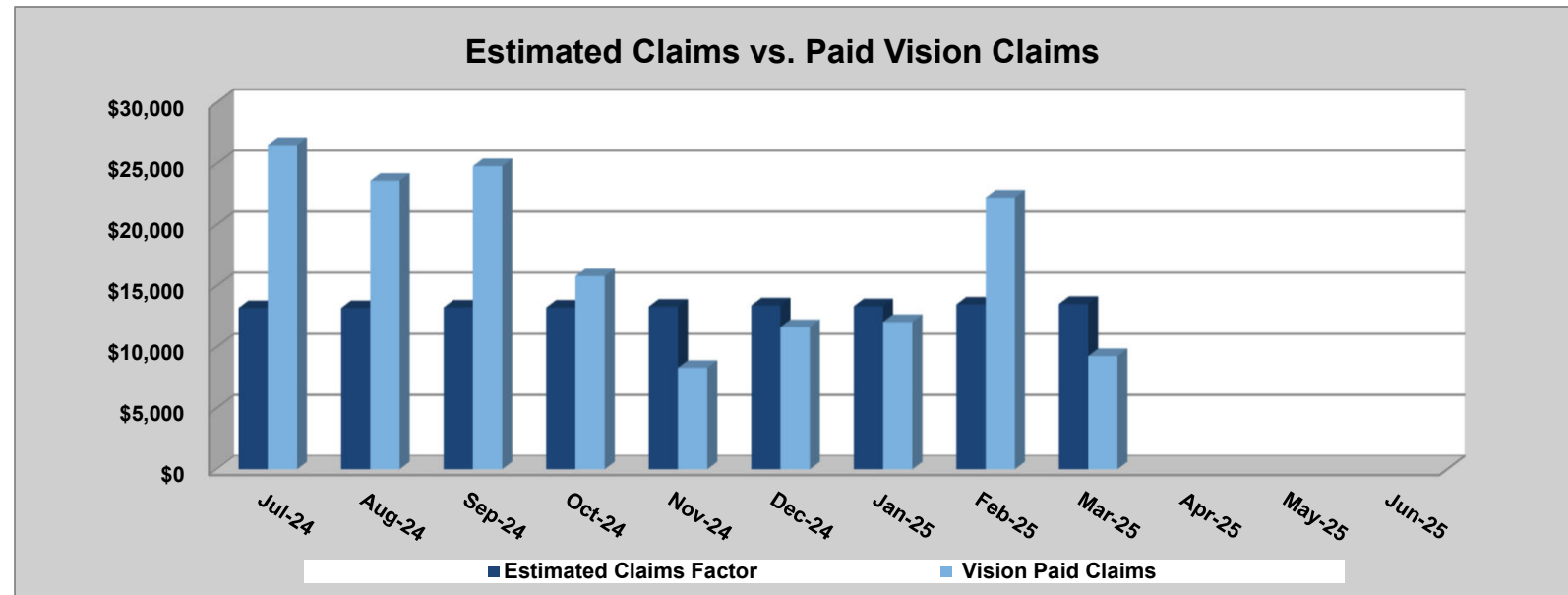
Plan Year: July 2024 to June 2025 (as of March 2025)

| 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 | 989 | \$13,342 | \$1,484 | \$12,061 | \$13,544 | 90.4% | \$12.19 | \$13.69 |
| Feb-25 | 1000 | \$13,490 | \$1,500 | \$22,247 | \$23,747 | 164.9% | \$22.25 | \$23.75 |
| Mar-25 | 1003 | \$13,530 | \$1,505 | \$9,262 | \$10,767 | 68.5% | \$9.23 | \$10.73 |
| Apr-25 | | | | | | | | |
| May-25 | | | | | | | | |
| Jun-25 | | | | | | | | |
| Total | 8,892 | \$119,953 | \$13,338 | \$154,299 | \$167,637 | 128.6% | \$17.35 | \$18.85 |
| Avg Enrollment | 988 | | | | | | | |

| Admin Fees | Employee |
|----------------|----------|
| Administration | \$1.50 |

| Claim Expenses | |
|------------------------|---------|
| Estimated Claim Factor | \$13.49 |

| Premium Equivalent Rates | |
|--------------------------|---------|
| EE | Family |
| \$6.44 | \$18.24 |



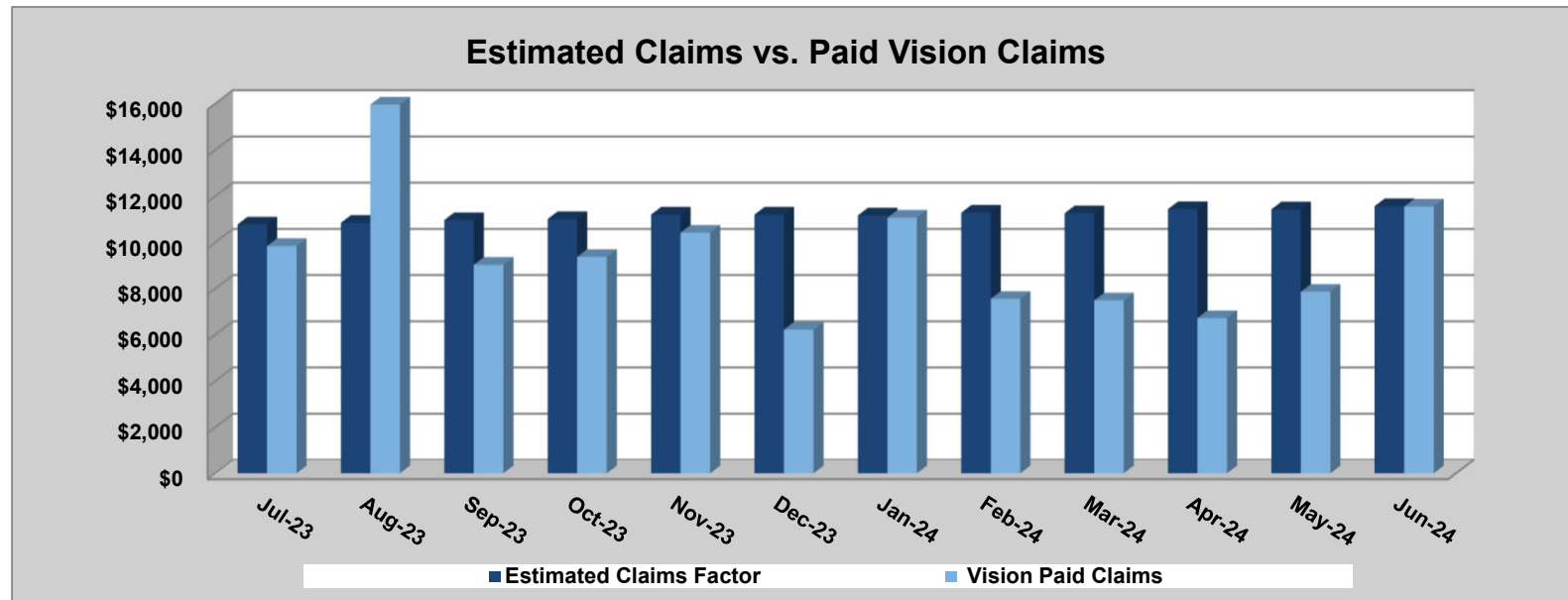
City of Surprise
Avesis Vision Self Funded Paid Claims
 Plan Year: July 2023 to June 2024

| 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 March 2025)

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 | \$158,414 | \$13.36 |
| Admin Fees | \$10,751 | \$0.95 | \$17,784 | \$1.50 |
| Total Costs | \$123,814 | \$10.94 | \$176,198 | \$14.86 |

| % Cost Change | \$ Cost Change | % PEPM Change | \$ PEPM Change |
|---------------|-----------------|---------------|----------------|
| 40.1% | \$45,350 | 33.7% | \$3.37 |
| 65.4% | \$7,033 | 57.9% | \$0.55 |
| 42.3% | \$52,383 | 35.8% | \$3.92 |

| 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 | \$14.86 | 35.8% |

| | Annual |
|------------|--------|
| Enrollment | 11,317 |

| Annualized |
|------------|
| 11,856 |

| % Enrollment Change | # Enrollment Change |
|---------------------|---------------------|
| 4.8% | 539 |

*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 |
| 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: June 4, 2025

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 Self Insurance Fund and Workers' Compensation Fund Financial Reports for FY2025 3rd 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 FY2025 3rd Quarter. This report contains unaudited financial activity through March 31, 2025 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. 3rd Quarter Self Insurance Fund FY25
-

City of Surprise, Arizona

Employee Healthcare Trust Fund and Workers' Compensation Fund

March 31, 2025

| | Employee Healthcare Trust Fund | Workers' Compensation Trust Fund |
|---|-----------------------------------|--|
| ASSETS | | |
| Current assets: | | |
| Cash and investments | \$ 9,118,575 | \$ 4,774,623 |
| Other Receivables | - | - |
| Prepaid services | 270 | - |
| Total current assets | <u>9,118,845</u> | <u>4,774,623</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>9,122,544</u> | <u>4,777,844</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| 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>9,139,503</u> | <u>4,792,615</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | - | - |
| Claims payable | - | - |
| Accrued payroll and benefits | 2,325 | 2,305 |
| 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>1,597,249</u> | <u>790,582</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>1,711,265</u> | <u>910,051</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>1,717,450</u> | <u>915,438</u> |
| NET POSITION | | |
| Restricted for: | | |
| Committed - Adverse Times Reserve | - | 2,000,000 |
| Committed - Adverse Claims Contingency Reserve | 3,703,608 | - |
| Unrestricted | <u>3,718,445</u> | <u>1,877,177</u> |
| Total net position | <u>\$ 7,422,053</u> | <u>\$ 3,877,177</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 March 31, 2025

| | Third Quarter Budget | FY 2025 Actual | Variance favorable (unfavorable) | % Variance |
|--|-------------------------|-------------------|-------------------------------------|----------------|
| OPERATING REVENUES | | | | |
| Employee Contributions | | | | |
| Medical | \$ 2,454,000 | \$ 2,415,771 | (38,229) | (1.6%) |
| Dental | 267,825 | 251,288 | (16,537) | (6.2%) |
| Vision | 34,650 | 33,788 | (862) | (2.5%) |
| City Contributions | | | | |
| Medical | 12,738,225 | 12,544,790 | (193,435) | (1.5%) |
| Dental | 626,850 | 599,053 | (27,797) | (4.4%) |
| Vision | 99,975 | 97,335 | (2,640) | (2.6%) |
| Cobra contributions | 245,175 | 157,992 | (87,183) | (35.6%) |
| Subrogation recovery | 30,000 | 1,761 | (28,239) | (94.1%) |
| Wellness reimbursement | 98,250 | 31,162 | (67,088) | (68.3%) |
| Pharmacy rebate | 973,725 | 789,720 | (184,005) | (18.9%) |
| Miscellaneous Revenue | - | 27,500 | 27,500 | - |
| Prior Year Recovery | - | 16 | 16 | - |
| Interest revenue | 97,200 | 149,581 | 52,381 | 53.9% |
| Total operating revenues | <u>17,665,875</u> | <u>17,099,757</u> | <u>(566,118)</u> | <u>(3.2%)</u> |
| OPERATING EXPENSES | | | | |
| Personnel (Wages/Benefits) | 150,675 | 159,585 | (8,910) | (5.9%) |
| Wellness | | | | |
| Work/life balance | 87,729 | 51,684 | 36,045 | 41.1% |
| Books & subscriptions | 201 | - | 201 | 100.0% |
| Special event hosting | 402 | - | 402 | 100.0% |
| Administration | | | | |
| Medical | 467,374 | 653,174 | (185,800) | (39.8%) |
| Medical stop loss | 786,546 | 1,061,619 | (275,073) | (35.0%) |
| Dental | 29,667 | 32,855 | (3,188) | (10.7%) |
| Vision | 12,121 | 13,340 | (1,219) | (10.1%) |
| Claims | | | | |
| Medical | 9,909,747 | 9,430,981 | 478,766 | 4.8% |
| Pharmacy | 3,343,876 | 3,638,922 | (295,046) | (8.8%) |
| Dental | 784,470 | 868,312 | (83,842) | (10.7%) |
| Vision | 116,258 | 154,299 | (38,041) | (32.7%) |
| Professional outside services | 82,237 | 113,031 | (30,794) | (37.4%) |
| Travel & training | 2,679 | 275 | 2,404 | 89.7% |
| Dues & membership | 268 | - | 268 | 100.0% |
| Limited purpose flex spending | 9,777 | 16,340 | (6,563) | (67.1%) |
| Federal medical insurance fees | 6,228 | - | 6,228 | 100.0% |
| Total operating expenses | <u>15,790,256</u> | <u>16,194,417</u> | <u>(404,161)</u> | <u>(2.6%)</u> |
| Operating income (loss) | <u>1,875,619</u> | <u>905,340</u> | <u>(970,279)</u> | <u>(51.7%)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Total nonoperating revenues (expenses) | - | - | - | - |
| Income (loss) before contributions and transfers | <u>1,875,619</u> | <u>905,340</u> | <u>(970,279)</u> | <u>(51.7%)</u> |
| Change in net position | \$ 1,875,619 | \$ 905,340 | \$ (970,279) | (51.7%) |

City of Surprise, Arizona

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

Workers' Compensation Fund

For the quarter ended March 31, 2025

| | Third Quarter Budget | FY 2025 Actual | Variance favorable (unfavorable) | % Variance |
|--|-------------------------|-------------------|-------------------------------------|-----------------|
| OPERATING REVENUES | | | | |
| City Contributions | | | | |
| Worker's comp | 1,307,100 | \$ 1,307,100 | \$ - | 0.0% |
| Subrogation recovery | - | - | - | - |
| Claim Expense Reimbursement | - | 35,717 | - | - |
| Recovery of PY | - | 1,184 | 1,184 | - |
| Interest revenue | - | 182,643 | 182,643 | - |
| Total operating revenues | <u>1,307,100</u> | <u>1,526,644</u> | <u>183,827</u> | <u>14.1%</u> |
| OPERATING EXPENSES | | | | |
| Personnel (Wages/Benefits) | 108,750 | 103,671 | 5,079 | 4.7% |
| Administration | | | - | - |
| Claim Settlement | 692,829 | 665,019 | 27,810 | 4.0% |
| Municipal Firefighters Cancer | 500,000 | 398,674 | 101,326 | 20.3% |
| Software license | 45,000 | 61,081 | (16,081) | (35.7%) |
| Taxes, Charges, Service Fees | 28,129 | - | 28,129 | 100.0% |
| Other professional services | 66,415 | 40,804 | 25,611 | 38.6% |
| Total operating expenses | <u>1,441,123</u> | <u>1,269,248</u> | <u>171,874</u> | <u>11.9%</u> |
| Operating income (loss) | <u>(134,023)</u> | <u>257,396</u> | <u>355,701</u> | <u>(265.4%)</u> |
| Income (loss) before contributions and transfers | <u>(134,023)</u> | <u>257,396</u> | <u>355,701</u> | <u>(265.4%)</u> |
| Transfers in | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in net position | <u>(134,023)</u> | <u>\$ 257,396</u> | <u>\$ 355,701</u> | <u>(265.4%)</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 | 5,184,201 | | 13,069,903 |

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 | (188,843) | | 905,340 |

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 | 504,688 | | 803,518 |

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 | 401,589 | 198,487 | 189,644 | 789,720 |
| Total By Plan | \$ 2,994,363 | \$ 1,666,916 | \$ 993,304 | \$ 5,654,583 |

FY2025 IBNR
Medical, Dental and Vision Activity

| | <u>Medical</u> | <u>Dental</u> | <u>Vision</u> | <u>Total</u> |
|--|---------------------------|--------------------|-------------------|---------------------|
| July | \$ 699,959 | \$ 31,880 | \$ 3,785 | \$ 735,624 |
| August | 212,307 | 5,420 | 130 | 217,857 |
| September | 147,536 | 4,688 | (59) | 152,165 |
| October | 118,840 | 894 | - | 119,734 |
| November | 43,544 | 2,291 | - | 45,835 |
| December | 9,242 | 929 | - | 10,171 |
| January | 18,005 | 264 | - | 18,269 |
| February | 34,798 | 980 | - | 35,778 |
| March | 13,983 | 784 | - | 14,767 |
| Total FY 2024 Claims Run out | <u>\$ 1,298,214</u> | <u>\$ 48,130</u> | <u>\$ 3,856</u> | <u>\$ 1,350,200</u> |
| IBNR Valuation as of June 30, 2025 | \$ 1,540,000 (241,786) | \$ 47,300 830 | \$ 4,200 (344) | |
| FY2024 IBNR | | \$ 1,591,500 | | |
| Total Run Out Claims FY2025 | | <u>(1,350,200)</u> | | |
| Medical Claim Adjustment - Revenue to Fund | | <u>\$ 241,300</u> | | |