CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
Wednesday, December 3, 2025 @ 4:00 PM
COUNCIL OVERFLOW ROOM

A. Call To Order

B. Roll Call

C. Pledge of Allegiance

D. Current Events and Reports

E. Staff Reports

F. Health Benefits Trust Fund Board Agenda

CONSENT AGENDA:

1.	Citywide	Consideration and action pertaining to approval of the August 27, 2025 Health Benefits Trust Fund Board meeting minutes.	Finance

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

2.	Citywide	Presentation and discussion pertaining to CBIZ Consulting FY2025 1st Quarter Report.	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 4th Quarter and FY2026 1st Quarter.	Sandy Simmons Finance
4.	Citywide	Consideration and action pertaining to the Health Benefits Trust Fund Board Annual Calendar for 2026.	Sandy Simmons Finance
5.	Internal	Consideration and action to elect a Chairperson and Vice-Chairperson for the Health Benefits Trust Fund Board.	Sandy Simmons Finance

G. Call To The Public

INSTRUCTIONS: In order to address the City Council, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the City Clerk before the meeting begins. You may also fill out the Call to the Public form online If submitting form electronically, please submit to City Clerk at least one hour before the meeting start time.

Note: A.R.S. 38-431.01(H)- During this time members of the public may address City Council only on issues within the jurisdiction of the City Council which are not an item on the agenda. At the conclusion of the open call, City Council 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.

Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the City Council. There will be no separate discussion on these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

Please be aware that Council Members may not discuss or respond to matters raised during call to the public that are not specifically identified on the agenda. Council Members may however, in their discretion, discuss or respond to relevant matters raised during a noticed public hearing or agenda item.

H. Other Business and Future Agenda Items

I. Adjournment

KRISTI PASSARELLI, CITY CLERK

POSTED: Wednesday, November 26th, 2025 @ 10:30 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

Council Meeting Date: December 3, 2025
Submitting Department: Finance
Staff Recommendations:

Contact Person:
District: Citywide

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

Agenda Wording:

Consideration and action pertaining to approval of the August 27, 2025 Health Benefits Trust Fund Board meeting minutes.

Motion:

I move to approve the August 27, 2025 Health Benefits Trust Fund Board meeting minutes.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

No financial impact.

Budget Impact:

No budget impact.

FTE Impact:

No FTE impact.

ATTACHMENTS:

1. HBTF MINUTES 08.27.25

CITY OF SURPRISE

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

August 27, 2025

MEETING MINUTES

CALL TO ORDER

Chairperson William Coniam called the Health Benefits Trust Fund Meeting to order at 4:00 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, August 27, 2025.

ROLL CALL

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

STAFF PRESENT:

Earle Greenberg, Council Member; Paige Gearhart, Human Resources Manager; Digger Oster, Risk Manager - Senior; Ariana Reyna, Human Resources Business Partner; Erick Martin, Assistant Director – Finance; Sandy Simmons, Director – Finance, Linda Beyersdorf, Budget Manager; Jenna Klidas, Financial Management Analyst - Senior

PLEDGE OF ALLEGIANCE

CURRENT EVENTS REPORT

None

STAFF REPORT

Andrea Davis announced her new role of Assistant City Manager and Sandy Simmons' new role of Finance Director. Sandy Simmons will be present at future Health Benefits Trust Fund meetings as an active Board Member.

CALL TO THE PUBLIC

None

CONSENT AGENDA

Item 1: Consideration and action pertaining to approval of the June 4, 2025 Health Benefits Trust Fund Board meeting minutes.

- Chairperson William Coniam made a motion to approve the minutes for the June 4, 2025 meeting. Vice Chairperson Candace Rachal seconded the motion. Motion passed.

REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING

Item 2: Presentation and discussion pertaining to CBIZ Consulting FY2025 4th Quarter Report.

- Melissa Barbakoff presented CBIZ Consulting's FY2025 4th Quarter Report.

- David Zucarelli presented the City’s pharmacy spend and rebate summary.

OTHER BUSINESS

EXECUTIVE SESSION

No executive session was held.

ADJOURNMENT

Hearing no further business, Chairperson William Coniam adjourned the Health Benefits Trust Fund meeting at 4:19 p.m.

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William Coniam, Chair
Health Benefits Trust Fund Board

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 3, 2025
Submitting Department: Finance
Staff Recommendations: None

Contact Person:
District: Citywide

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

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

Motion:
None; Discussion Only

Background:
CBIZ Consulting will present the 1st Quarter self-funded medical, dental, and vision report for plan year FY2026 for the City. This report contains financial information and claims activity.

Objective Analysis:

Policy Compliant:

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

Budget Impact:
FTE Impact:

ATTACHMENTS:
1. City of Surprise Medical, Dental & Vision Experience 09 25 - Final

CBIZ

City of Surprise

Medical, Pharmacy, Dental, and Vision Experience

Plan Year: July 2025 – June 2026

Month End: September 2025

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

City of Surprise Executive Summary as of September 2025

Medical

The following report details claims paid through the first quarter of the plan year beginning July 2025. The first quarter of runout claims have been paid for the prior plan year.

Expected claims through the first quarter have come in at 84% of expected and 68.4% for maximum claim liability, which is an excellent result. Medical claims through the first quarter are 13.9% below the prior plan year but it is still very early.

Pharmacy

Pharmacy claims rose in the first quarter. In the prior plan year, the average gross monthly claims are approximately $401,622. For the first quarter of the plan year the average monthly pharmacy claims are $542,627, this is before rebates are applied.

Enrollment by Plan:

- HMO – Relatively flat enrollment in the HMO plan
  - 2025 - 346
  - 2024 - 347
  - 2023 - 337
- PPO – 5.4% increase in enrollment in the PPO plan
  - 2025 - 373
  - 2024 - 354
  - 2023 - 336
- EPO – 5.3% increase in enrollment in the EPO plan
  - 2025 - 315
  - 2024 - 285
  - 2023 – 262

Claims Spend & Loss Ratio by Plan Design

- HMO -49% of total claims, 107.9% loss ratio
- PPO – 33% of total claims, 75% loss ratio
- EPO – 18% of total claims, 55.8% loss ratio

Large Claims

There is one large claimant over the $100,000 threshold through the first quarter and they are a known claimant.

Prior Plan Year – 3 Months of Runout

The prior paid claims and administration section of the report shows that gross run out claims through September were $1,818,971, after rebates and stop loss recoveries that amount drops to $750,534. The prior plan year with claims through the first quarter performed at 94% of expected. Rebates paid in the prior plan year are $1,731,297.

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 PY26 to be 6.7% higher than PY25. It is still very early and this number tends to fluctuate as claims become more mature.

- Medical Claims: 13.9% lower in comparison to PY25.
- Pharmacy Claims: 31.8% lower than the PY25 plan year. (Gross) Prior to rebates.

Both medical and pharmacy claims were adjusted for the increase in enrollment of 2.54%.

Dental

Dental claims are performing well above expected. The current loss ratio through September is 119.9%. Through September the dental paid claims per employee, per month (PEPM) are $112.90. On the Annual Cost Comparison slide, the FY2025 Total Cost for dental is projected to be 6.6% higher than the prior year.

Vision

Vision claims for the first quarter are well above normal. The current loss ratio is 173.6%. Through September the vision paid claims per employee, per month (PEPM) is $23.82. On the Annual Cost Comparison slide, the FY2026 Total Cost for vision is projected to be 7.6% higher than the prior year. The plan for 10 years fluctuated between $9-11 PEPM, now the plan is running at $19.60 PEPM.

City of Surprise

Paid Claims and Administration

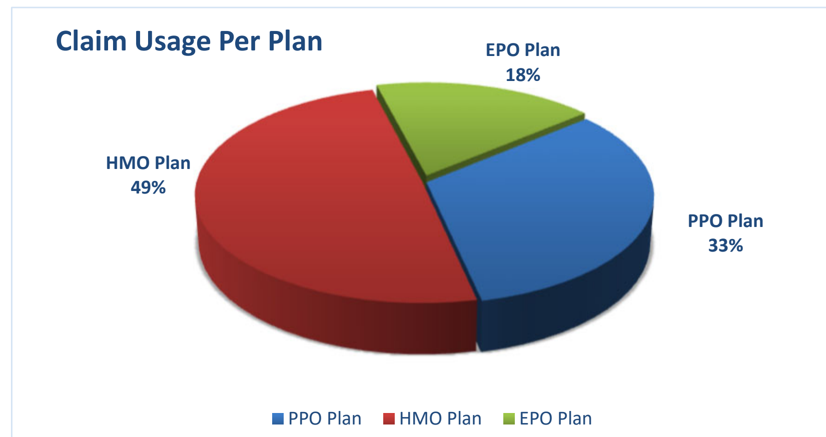
Plan Year: July 2025 to June 2026 (as of September 2025)

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 Program Fees	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 Reimburse-ment PEPM	Total Claims & Fixed Costs PEPM
Jul-25	1,027	$ 1,601,244	$ 1,965,331	$ 324,995	$ 587,402	$ 5,540	$ -	$ 2,580	$ 8,318	$ 1,053	$ -	$ 929,888	$ 170,880	$ 1,100,768	58.1%	47.3%	$ 328.09	$ 577.35	$ 905.44	$ 905.44	$ 1,071.83
Aug-25	1,036	$ 1,607,661	$ 1,973,975	$ 861,078	$ 520,437	$ 17,690	$ -	$ 2,778	$ 8,195	$ 1,084	$ -	$ 1,411,262	$ 172,379	$ 1,583,641	87.8%	71.5%	$ 842.79	$ 519.43	$ 1,362.22	$ 1,362.22	$ 1,528.61
Sep-25	1,039	$ 1,616,616	$ 1,983,877	$ 1,161,514	$ 520,043	$ 15,133	$ -	$ 7,116	$ 8,292	$ -	$ -	$ 1,712,098	$ 172,878	$ 1,884,976	105.9%	86.3%	$ 1,132.74	$ 515.09	$ 1,647.83	$ 1,647.83	$ 1,814.22
Oct-25																					
Nov-25																					
Dec-25																					
Jan-26																					
Feb-26																					
Mar-26																					
Apr-26																					
May-26																					
Jun-26																					
Total	**3,102**	**$ 4,825,520**	**$ 5,923,184**	**$ 2,347,587**	**$ 1,627,881**	**$ 38,363**	**$ -**	**$ 12,475**	**$ 24,805**	**$ 2,137**	**$ -**	**$ 4,053,248**	**$ 516,137**	**$ 4,569,385**	**84.0%**	**68.4%**	**$ 769.50**	**$ 524.78**	**$ 1,306.66**	**$ 1,306.66**	**$ 1,473.04**
Avg	**1,034**																				

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	$61.22	$61.22	$61.22	$61.22	$61.22	$61.22	$61.22	$61.22	$61.22
Specific Stoploss 12/24 $250,000 ISL	$100.42	$100.42	$100.42	$100.42	$100.42	$100.42	$100.42	$100.42	$100.42
Aggregate Stoploss (125%)	$5.10	$5.10	$5.10	$4.55	$4.55	$4.55	$4.55	$4.55	$4.55
Total Fixed Costs	**$166.74**	**$166.74**	**$166.74**	**$166.19**	**$166.19**	**$166.19**	**$166.19**	**$166.19**	**$166.19**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$670.04**	**$1,508.04**	**$2,178.44**	**$699.27**	**$1,566.15**	**$2,259.65**	**$616.89**	**$1,400.99**	**$2,028.23**
Maximum Liability (ICAP)	**$966.49**	**$1,922.89**	**$2,688.01**	**$974.74**	**$1,939.52**	**$2,711.36**	**$820.71**	**$1,633.03**	**$2,282.92**



City of Surprise
Paid Claims and Administration
Plan Year: July 2025 to June 2026 (as of September 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-25	368	$ 573,730	$ 729,047	$ 104,117	$ 214,700	$ -	$ 318,817	$ 61,360	$ 380,177	55.6%	43.7%	$282.93	$583.42	$866.35	$1,033.09
Aug-25	375	$ 577,750	$ 735,047	$ 226,408	$ 200,751	$ -	$ 427,159	$ 62,528	$ 489,686	73.9%	58.1%	$603.75	$535.34	$1,139.09	$1,305.83
Sep-25	376	$ 580,766	$ 738,692	$ 334,568	$ 218,759	$ -	$ 553,327	$ 62,694	$ 616,022	95.3%	74.9%	$889.81	$581.81	$1,471.62	$1,638.36
Oct-25															
Nov-25															
Dec-25															
Jan-26															
Feb-26															
Mar-26															
Apr-26															
May-26															
Jun-26															
Total	**1,119**	**$ 1,732,246**	**$ 2,202,786**	**$ 665,093**	**$ 634,210**	**$ -**	**$ 1,299,303**	**$ 186,582**	**$ 1,485,885**	**75.0%**	**59.0%**	**$594.36**	**$566.77**	**$1,161.13**	**$1,327.87**
Avg	**373**														

Fixed Costs	PPO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$61.22	$61.22	$61.22
Specific Stoploss 12/24 $250,000 ISL	$100.42	$100.42	$100.42
Aggregate Stoploss (125%)	$5.10	$5.10	$5.10
Total Fixed Costs	**$166.74**	**$166.74**	**$166.74**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$670.04**	**$1,508.04**	**$2,178.44**
Maximum Liability (ICAP)	**$966.49**	**$1,922.89**	**$2,688.01**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	112	88	168	368
August	119	89	167	375
September	118	90	168	376
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	**349**	**267**	**503**	**1,119**

City of Surprise
Paid Claims and Administration
Plan Year: July 2025 to June 2026 (as of September 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-25	348	$ 609,689	$ 746,929	$ 127,392	$ 277,876	$ -	$ 405,268	$ 57,834	$ 463,102	66.5%	54.3%	$366.07	$798.49	$1,164.56	$1,330.75
Aug-25	346	$ 607,423	$ 744,014	$ 493,207	$ 219,028	$ -	$ 712,235	$ 57,502	$ 769,736	117.3%	95.7%	$1,425.45	$633.03	$2,058.48	$2,224.67
Sep-25	344	$ 604,464	$ 740,328	$ 648,100	$ 200,499	$ -	$ 848,599	$ 57,169	$ 905,768	140.4%	114.6%	$1,884.01	$582.84	$2,466.86	$2,633.05
Oct-25															
Nov-25															
Dec-25															
Jan-26															
Feb-26															
Mar-26															
Apr-26															
May-26															
Jun-26															
Total	**1,038**	**$ 1,821,576**	**$ 2,231,271**	**$ 1,268,699**	**$ 697,402**	**$ -**	**$ 1,966,101**	**$ 172,505**	**$ 2,138,606**	**107.9%**	**88.1%**	**$1,222.25**	**$671.87**	**$1,894.12**	**$2,060.31**
Avg	**346**														

Fixed Costs	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$61.22	$61.22	$61.22
Specific Stoploss 12/24 $250,000 ISL	$100.42	$100.42	$100.42
Aggregate Stoploss (125%)	$4.55	$4.55	$4.55
Total Fixed Costs	**$166.19**	**$166.19**	**$166.19**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$699.27**	**$1,566.15**	**$2,259.65**
Maximum Liability (ICAP)	**$974.74**	**$1,939.52**	**$2,711.36**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	79	77	192	348
August	78	76	192	346
September	77	76	191	344
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	**234**	**229**	**575**	**1,038**

City of Surprise
Paid Claims and Administration
Plan Year: July 2025 to June 2026 (as of September 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-25	311	$ 417,825	$ 489,356	$ 93,486	$ 94,826	$ -	$ 188,311	$ 51,685	$ 239,997	45.1%	38.5%	$300.60	$304.91	$605.50	$771.69
Aug-25	315	$ 422,488	$ 494,913	$ 141,464	$ 100,658	$ -	$ 242,121	$ 52,350	$ 294,471	57.3%	48.9%	$449.09	$319.55	$768.64	$934.83
Sep-25	319	$ 431,385	$ 504,857	$ 178,846	$ 100,785	$ -	$ 279,631	$ 53,015	$ 332,645	64.8%	55.4%	$560.64	$315.94	$876.58	$1,042.77
Oct-25															
Nov-25															
Dec-25															
Jan-26															
Feb-26															
Mar-26															
Apr-26															
May-26															
Jun-26															
Total	**945**	**$ 1,271,698**	**$ 1,489,127**	**$ 413,795**	**$ 296,269**	**$ -**	**$ 710,063**	**$ 157,050**	**$ 867,113**	**55.8%**	**47.7%**	**$437.88**	**$313.51**	**$751.39**	**$917.58**
Avg	**315**														

Fixed Costs	EPO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$61.22	$61.22	$61.22
Specific Stoploss 12/24 $250,000 ISL	$100.42	$100.42	$100.42
Aggregate Stoploss (125%)	$4.55	$4.55	$4.55
Total Fixed Costs	**$166.19**	**$166.19**	**$166.19**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$616.89**	**$1,400.99**	**$2,028.23**
Maximum Liability (ICAP)	**$820.71**	**$1,633.03**	**$2,282.92**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	130	47	134	311
August	132	48	135	315
September	131	49	139	319
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	**393**	**144**	**408**	**945**

City of Surprise

Paid Claims and Administration

Plan Year: July 2024 to June 2025 (as of September 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 Program Fees	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 Reimburse-ment 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	1,020	$ 1,550,591	$ 1,802,359	$ 1,618,898	$ 491,975	$ 18,932	$ (350,378)	$ 1,765	$ 8,192	$ 2,389	$ (6,364)	$ 1,785,410	$ 157,833	$ 1,943,243	115.1%	99.1%	$ 1,599.26	$ 500.89	$ 1,756.64	$ 1,750.40	$ 1,905.14
Apr-25	1,035	$ 1,565,140	$ 1,819,612	$ 1,589,802	$ 554,147	$ 10,774	$ -	$ 2,068	$ 8,351	$ 1,019	$ (358,931)	$ 1,807,229	$ 160,153	$ 1,967,382	115.5%	99.3%	$ 1,547.09	$ 545.82	$ 2,092.91	$ 1,746.12	$ 1,900.85
May-25	1,031	$ 1,563,658	$ 1,817,593	$ 1,289,625	$ 435,435	$ 12,005	$ -	$ 9,508	$ 8,453	$ 1,035	$ (195,539)	$ 1,560,522	$ 159,535	$ 1,720,057	99.8%	85.9%	$ 1,269.27	$ 433.99	$ 1,703.26	$ 1,513.60	$ 1,668.34
Jun-25	1,017	$ 1,543,402	$ 1,793,557	$ 1,271,613	$ 516,120	$ 13,644	$ (492,814)	$ 2,205	$ 8,151	$ 1,083	$ (58,014)	$ 1,261,989	$ 157,366	$ 1,419,354	81.8%	70.4%	$ 1,261.61	$ 520.91	$ 1,297.94	$ 1,240.89	$ 1,395.63
Total	**12,101**	**$ 18,383,221**	**$ 21,373,499**	**$ 12,533,204**	**$ 4,819,475**	**$ 161,680**	**$ (1,132,693)**	**$ 31,186**	**$ 98,038**	**$ 23,687**	**$ (969,485)**	**$ 15,565,092**	**$ 1,872,478**	**$ 17,437,570**	**84.7%**	**72.8%**	**$ 1,048.35**	**$ 398.27**	**$ 1,366.38**	**$ 1,286.26**	**$ 1,441.00**
Avg	**1,008**																				

BCBS and CVS Rx Runout							
Month	Paid Medical	Paid Rx	CVS Rx Rebates*	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery*	Total Paid Claims
Jul-25	$ 980,918	$ -	$ -	$ 1,392	$ (6)	$ (1,985)	$ 980,319
Aug-25	$ 483,111	$ -	$ -	$ 172	$ 100	$ (312,800)	$ 170,583
Sep-25	$ 354,942	$ -	$ (598,605)	$ 866	$ 3	$ (157,575)	$ (400,369)
Oct-25							
Nov-25							
Dec-25							
Jan-26							
Feb-26							
Mar-26							
Apr-26							
May-26							
Jun-26							
Total	**$ 1,818,971**	**$ -**	**$ (598,605)**	**$ 2,430**	**$ 97**	**$ (472,359)**	**$ 750,534**

* August 25 Stop Loss Recovery includes 2024 Period SSL Breach Reimbursement of $112,465.85.

2024-2025 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
$17,733,783	$ (1,441,844)	$ 16,291,939	$ 1,872,478	$ 18,164,417	88.6%	76.2%	$ 1,501.07

City of Surprise

Plan Year: July 2025 to June 2026 (as of September 2025)

Annual Cost Comparison Analysis

Incurred and Paid - 2024/2025 vs. 2025/2026

Cost Categories	2024/2025 with Runout	PEPM Costs	2025/2026 Estimated Annual	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$14,639,219	$1,209.75	$13,184,048	$1,062.54	-9.94%	($1,455,171)	-12.2%	($147.21)
Rx Claims Costs	$4,819,475	$398.27	$6,511,524	$524.78	35.11%	$1,692,050	31.8%	$126.51
PaydHealth Program Fees	$161,680		$153,453	$12.37				
Rx Rebates	($1,731,297)	($143.07)	($1,515,510)	($122.14)	-12.46%	$215,787	-14.6%	$20.93
Blue Card, Captitation Expenses, Misc and Value Based Services	$155,437	$12.84	$137,668	$11.10	-11.43%	($17,770)	-13.6%	($1.75)
Stop Loss Recoveries	($1,441,844)	($119.15)	$0	$0.00	n/a	$1,441,844	n/a	$119.15
Fixed Costs	$1,872,478	$154.74	$2,064,547	$166.39	10.26%	$192,070	7.5%	$11.65
Total Costs	**$18,475,147**	**$1,526.75**	**$20,535,730**	**$1,655.04**	**11.2%**	**$2,060,583**	**8.4%**	**$128.29**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	12,101	12,408	2.54%	307

*2024/2025 Medical Claims Costs includes actual run out

**2025/2026 Medical Claims Costs includes an escalator load and an 8% completion factor

PEPM Total Cost History		Increase/ Decrease
2014/2015	**$1,079.93**	
2015/2016	**$1,160.82**	**7.5%**
2016/2017	**$1,202.07**	**3.6%**
2017/2018	**$1,151.77**	**-4.2%**
2018/2019	**$1,200.23**	**4.2%**
2019/2020	**$1,201.50**	**0.1%**
2020/2021	**$1,178.50**	**-1.9%**
2021/2022	**$1,289.40**	**9.4%**
2022/2023	**$1,420.82**	**10.2%**
2023/2024	**$1,443.37**	**1.6%**
2024/2025	**$1,526.75**	**5.8%**
2025/2026 (Est.)	**$1,655.04**	**8.4%**

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

Cost Categories	2023/2024 with Runout	PEPM Costs	2024/2025 with Runout	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$12,452,839	$1,093.03	$14,639,219	$1,209.75	17.56%	$2,186,380	10.7%	$116.73
Rx Claims Costs	$4,644,959	$407.70	$4,819,475	$398.27	3.76%	$174,515	-2.3%	($9.43)
PaydHealth Program Fees			$161,680	$13.36				
Rx Rebates	($1,515,510)	($133.02)	($1,731,297)	($143.07)	14.24%	($215,787)	7.6%	($10.05)
Blue Card, Captitation Expenses, Misc and Value Based Services	$156,810	$13.76	$155,437	$12.84	-0.88%	($1,373)	-6.7%	($0.92)
Stop Loss Recoveries	($969,824)	($85.12)	($1,441,844)	($119.15)	n/a	($472,020)	n/a	($34.03)
Fixed Costs	$1,675,068	$147.03	$1,872,478	$154.74	11.79%	$197,409	5.2%	$7.71
Total Costs	**$16,444,343**	**$1,443.37**	**$18,475,147**	**$1,526.75**	**12.3%**	**$2,030,804**	**5.8%**	**$83.37**

	Annual	Annual	% Enrollment Change	# Enrollment Change
Enrollment	11,393	12,101	6.21%	708

*2023/2024 Medical Claims Costs includes actual run out

**2024/2025 Medical Claims Costs includes an 2% completion factor

City of Surprise

Blue Cross Blue Shield - Large Claims over $100k

Plan Year: July 2025 to June 2026 (as of September 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
1	F005	Y	Active	HMO	$136,467	$212	$136,679		$136,679	54.7%
				Total	$136,467	$212	$136,679	$0	$136,679	

Percentage of Large Claims vs. Medical & Rx Claims	3.4%

Green highlight denotes new claimant in the current quarter.

City of Surprise

Blue Cross Blue Shield - Large Claims over $100k

Plan Year: July 2024 to June 2025 (as of September 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	$1,210,645	$1,276	$1,211,921	$1,211,921	$0	100.0%	($961,921)	$250,000
2	H007	N	Active	PPO	$383,481	$24,094	$407,575	$123,797	$283,778	100.0%	($157,575)	$250,000
3	F001	Y	Active	HMO	$385,928	$191	$386,119	$386,119	$0	100.0%	($136,119)	$250,000
4	F002	Y	Active	HMO	$323,708	$55	$323,763	$323,763	$0	100.0%	($73,763)	$250,000
5	A007	Y	Active	HMO	$10,871	$223,224	$234,094	$233,902	$192	93.6%		$234,094
6	H006	N	Active	EPO	$218,100	$403	$218,503	$218,503	$0	87.4%		$218,503
7	H002	N	Termed	PPO	$205,308	$218	$205,526	$205,526	$0	82.2%		$205,526
8	C006	Y	Active	EPO	$9,982	$176,973	$186,954	$186,766	$188	74.8%		$186,954
9	H001	N	Termed	EPO	$158,526	$0	$158,526	$158,526	$0	63.4%		$158,526
10	E004	Y	Active	PPO	$4,866	$150,436	$155,302	$155,302	$0	62.1%		$155,302
11	H005	N	Active	PPO	$879	$146,871	$147,750	$147,750	$0	59.1%		$147,750
12	H003	N	Active	HMO	$136,166	$3,586	$139,752	$139,752	$0	55.9%		$139,752
13	G004	Y	Active	PPO	$124,924	$9,149	$134,073	$134,050	$23	53.6%		$134,073
14	D014	Y	Active	PPO	$110,507	$6,516	$117,023	$117,023	$0	46.8%		$117,023
15	C018	Y	Active	HMO	$74,845	$38,941	$113,786	$113,786	$0	45.5%		$113,786
16	H011	N	Termed	PPO	$112,868	$109	$112,977	$112,971	$6	45.2%		$112,977
17	H004	N	Active	EPO	$111,354	$0	$111,354	$108,379	$2,975	44.5%		$111,354
18	H009	N	Active	PPO	$109,909	$42	$109,951	$109,951	$0	44.0%		$109,951
19	H008	N	Active	HMO	$2,765	$100,846	$103,611	$103,611	$0	41.4%		$103,611
20	H010	N	Active	EPO	$82,196	$2,743	$84,939	$108,098	($23,159)	34.0%		$84,939
				Total	$3,777,826	$885,674	$4,663,500	$4,399,497	$264,003		($1,329,378)	$3,334,122
			Percentage of Large Claims vs. Medical & Rx Claims				24.3%					

Dental Reports

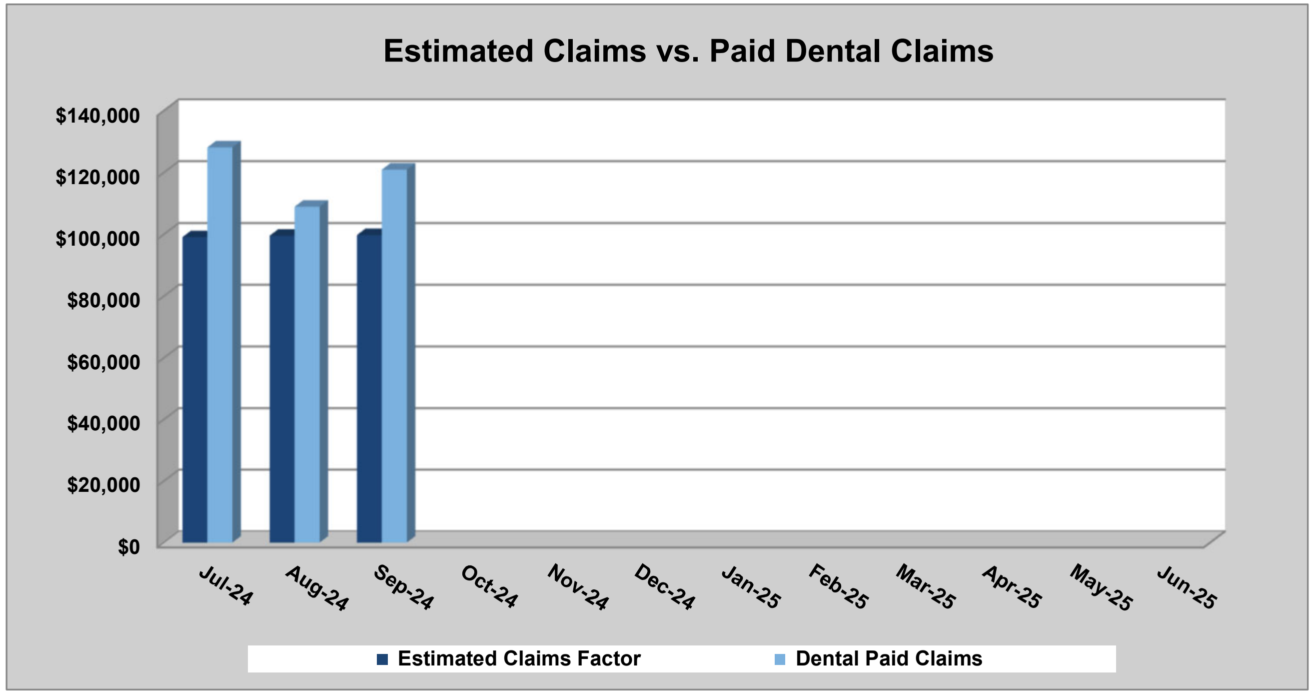
City of Surprise
Delta Dental Self Funded Paid Claims
Plan Year: July 2025 to June 2026 (as of September 2025)

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	1,053	$99,108	$3,928	$128,128	$132,056	129.3%	$121.68	$125.41
Aug-24	1,058	$99,579	$3,946	$108,941	$112,888	109.4%	$102.97	$106.70
Sep-24	1,060	$99,767	$3,954	$120,921	$124,875	121.2%	$114.08	$117.81
Oct-24								
Nov-24								
Dec-24								
Jan-25								
Feb-25								
Mar-25								
Apr-25								
May-25								
Jun-25								
Total	3,171	$298,455	$11,828	$357,990	$369,818	119.9%	$112.90	$116.63
Avg PEPM Enrollment	1057							

Admin Fees	Employee
Administration	$3.73

Claim Expenses	
Estimated Claim Factor	$94.12

Premium Equivalent Rates		
EE	EE + 1	Family
$41.68	$83.86	$137.34



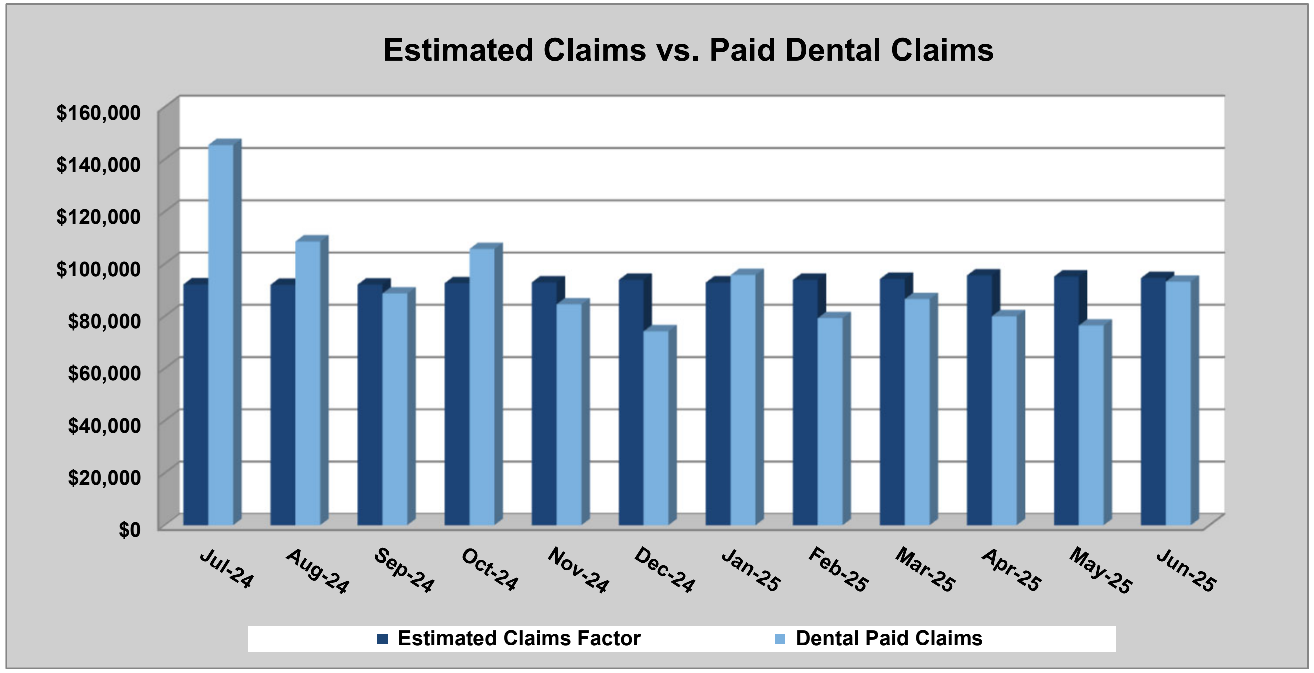
City of Surprise
Delta Dental Self Funded Paid Claims
Plan Year: July 2024 to June 2025

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	1,021	$92,125	$3,621	$145,431	$149,052	157.9%	$142.44	$145.99
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	1,040	$93,839	$3,692	$74,185	$77,877	79.1%	$71.33	$74.88
Jan-25	1,029	$92,847	$3,653	$95,714	$99,367	103.1%	$93.02	$96.57
Feb-25	1,040	$93,839	$3,692	$79,198	$82,890	84.4%	$76.15	$79.70
Mar-25	1,044	$94,200	$3,706	$86,488	$90,194	91.8%	$82.84	$86.39
Apr-25	1059	$95,554	$3,759	$79,914	$83,674	83.6%	$75.46	$79.01
May-25	1054	$95,102	$3,742	$76,376	$80,118	80.3%	$72.46	$76.01
Jun-25	1048	$94,561	$3,717	$93,153	$96,869	98.5%	$88.89	$92.43
Total	**12,429**	**$1,121,469**	**$44,116**	**$1,117,755**	**$1,161,871**	**99.7%**	**$89.93**	**$93.48**
Avg PEPM Enrollment	**1036**							

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



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City of Surprise

Delta Dental Dental Claims

Plan Year: July 2025 to June 2026 (as of September 2025)

Annual Cost Comparison Analysis 2024/2025 vs. 2025/2026

Cost Categories	2024/2025 Annual Costs	PEPM Costs	2024/2025 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Dental Claims*	$1,117,755	$89.93	$1,217,167	$95.96	8.9%	$99,412	6.7%	$6.03
Admin Fees	$44,116	$3.55	$47,311	$3.73	7.2%	$3,195	5.1%	$0.18
Total Costs	$1,161,871	$93.48	$1,264,478	$99.69	8.8%	$102,607	6.6%	$6.21

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	12,429	12,684	2.1%	255

*2025/2026 Dental claims includes a decrement

PEPM Total Cost History		Increase/ Decrease
2016/2017	$85.96	
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	$93.48	3.8%
2025/2026	$99.69	6.6%

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

Cost Categories	2023/2024 Annual Costs	PEPM Costs	2024/2025 Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Dental Claims*	$1,018,451	$86.55	$1,117,755	$89.93	9.8%	$99,304	3.9%	$3.38
Admin Fees	$41,773	$3.55	$44,116	$3.55	5.6%	$2,343	0.0%	($0.00)
Total Costs	$1,060,224	$90.10	$1,161,871	$93.48	9.6%	$101,647	3.8%	$3.38

	Annual	Annual	% Enrollment Change	# Enrollment Change
Enrollment	11,767	12,429	5.6%	662

Vision Reports

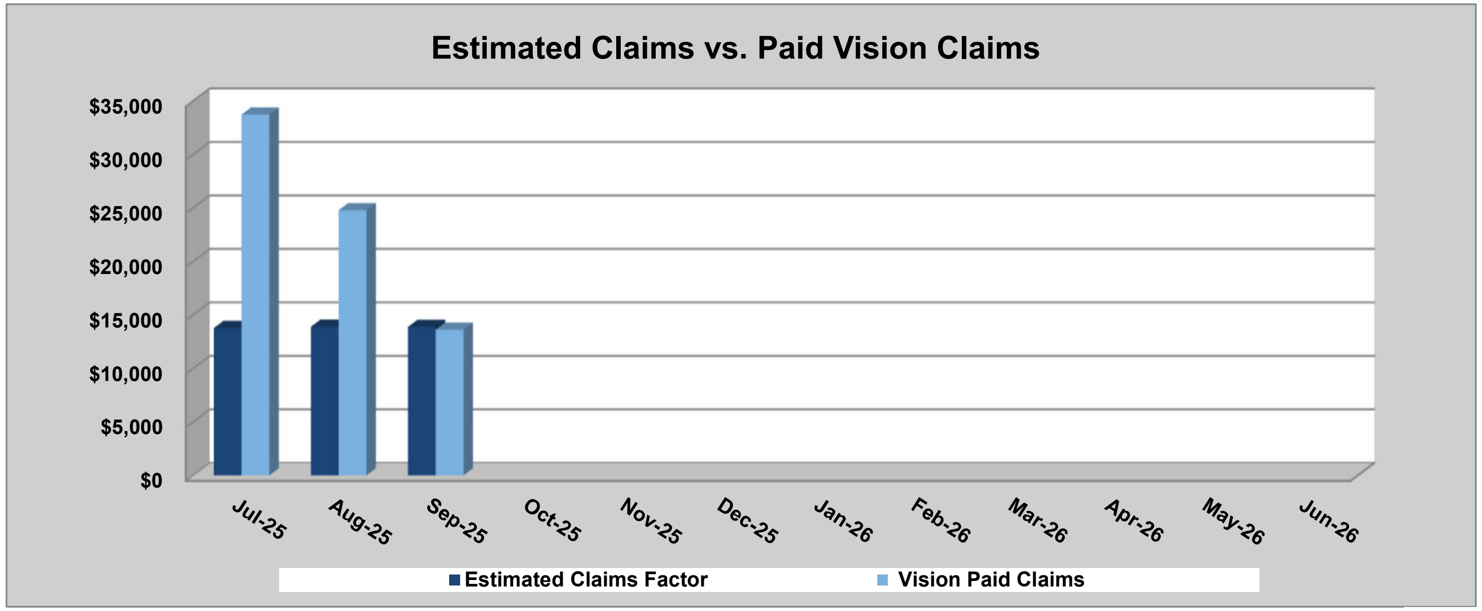
City of Surprise
Avesis Vision Self Funded Paid Claims
Plan Year: July 2025 to June 2026 (as of September 2025)

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-25	1004	$13,775	$1,506	$33,729	$35,235	244.9%	$33.59	$35.09
Aug-25	1013	$13,898	$1,520	$24,793	$26,313	178.4%	$24.48	$25.98
Sep-25	1012	$13,885	$1,518	$13,629	$15,147	98.2%	$13.47	$14.97
Oct-25								
Nov-25								
Dec-25								
Jan-26								
Feb-26								
Mar-26								
Apr-26								
May-26								
Jun-26								
Total	**3,029**	**$41,558**	**$4,544**	**$72,151**	**$76,695**	**173.6%**	**$23.82**	**$25.32**
Avg Enrollment	**1010**							

Admin Fees	Employee
Administration	$1.50

Claim Expenses	
Estimated Claim Factor	$13.72

Premium Equivalent Rates	
EE	Family
$6.64	$18.80



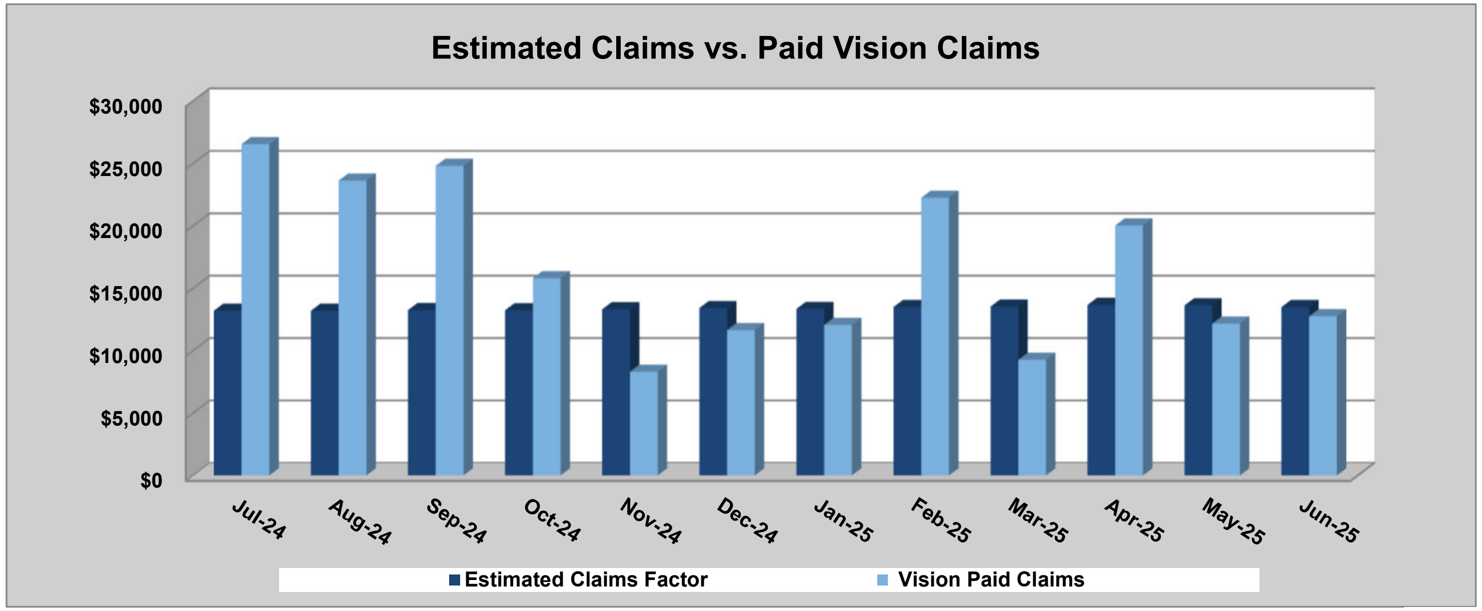
City of Surprise
Avesis Vision Self Funded Paid Claims
Plan Year: July 2024 to June 2025

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	1013	$13,665	$1,520	$20,030	$21,549	146.6%	$19.77	$21.27
May-25	1010	$13,625	$1,515	$12,160	$13,675	89.3%	$12.04	$13.54
Jun-25	1000	$13,490	$1,500	$12,752	$14,252	94.5%	$12.75	$14.25
Total	**11,915**	**$160,733**	**$17,873**	**$199,241**	**$217,114**	**124.0%**	**$16.72**	**$18.22**
Avg Enrollment	993							

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 Claims
Plan Year: July 2025 to June 2026 (as of September 2025)

Annual Cost Comparison Analysis 2024/2025 vs. 2025/2026

Cost Categories	2024/2025 Annual Costs	PEPM Costs	2025/2026 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Vision Claims*	$199,241	$16.72	$219,339	$18.10	10.1%	$20,098	8.3%	$1.38
Admin Fees	$17,873	$1.50	$18,174	$1.50	1.7%	$302	0.0%	$0.00
Total Costs	**$217,114**	**$18.22**	**$237,513**	**$19.60**	**9.4%**	**$20,399**	**7.6%**	**$1.38**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	11,915	12,116	1.7%	201

*2025/2026 Vision claims may include load/decrement

PEPM Total Cost History		Increase/ Decrease
2016/2017	$10.42	
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	$18.22	66.6%
2025/2026	$19.60	7.6%

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

Cost Categories	2023/2024 Annual Costs	PEPM Costs	2024/2025 Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Vision Claims*	$113,063	$9.99	$199,241	$16.72	76.2%	$86,178	67.4%	$6.73
Admin Fees	$10,751	$0.95	$17,873	$1.50	66.2%	$7,121	57.9%	$0.55
Total Costs	**$123,814**	**$10.94**	**$217,114**	**$18.22**	**75.4%**	**$93,300**	**66.6%**	**$7.28**

	Annual	Annual	% Enrollment Change	# Enrollment Change
Enrollment	11,317	11,915	5.3%	598

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 3, 2025
Submitting Department: Finance
Staff Recommendations: None

Contact Person: Sandy Simmons, Finance Director
District: Citywide

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 4th Quarter and FY2026 1st Quarter.

Motion:

None; presentation and discussion only.

Background:

Staff will be presenting the city's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund financial report for FY2025 4th Quarter and FY2026 1st Quarter. This report contains unaudited financial activity through June 30, 2025 and September 30, 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. 4th Quarter Self Insurance Fund FY25
2. 1st Quarter Self Insurance Fund FY26

City of Surprise, Arizona

Employee Healthcare Trust Fund and Workers' Compensation Fund
June 30, 2025

	Employee Healthcare Trust Fund	Workers' Compensation Trust Fund
ASSETS		
Current assets:		
Cash and investments	$ 9,813,531	$ 4,627,029
Other Receivables	456,145	-
Prepaid services	3,860	-
Total current assets	10,273,536	4,627,029
Noncurrent assets:		
Net OPEB asset	6,058	3,724
Total noncurrent assets	6,058	3,724
Total assets	10,279,594	4,630,753
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension related	34,464	20,740
Deferred outflows of resources - OPEB related	567	420
Total deferred outflows of resources	35,031	21,160
Total assets and deferred outflows of resources	10,314,625	4,651,913
LIABILITIES		
Current liabilities:		
Accounts payable	87,974	53,320
Claims payable	1,337,932	8,041
Accrued payroll and benefits	4,169	2,787
Compensated absences payable, due in less than one year	11,688	6,111
Claims - incurred but not reported (IBNR)	2,120,300	705,560
Total current liabilities	3,562,063	775,819
Noncurrent liabilities:		
Compensated absences payable, greater than one year	18,281	9,558
Net pension liability	156,636	94,260
Net OPEB liability	19	17
Total noncurrent liabilities	174,936	103,835
Total liabilities	3,736,999	879,654
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension related	10,303	6,200
Deferred inflow of resources - OPEB related	2,365	1,503
Total deferred inflows of resources	12,668	7,703
Total liabilities and deferred inflows of resources	3,749,667	887,357
NET POSITION		
Restricted for:		
Committed - Adverse Times Reserve	-	2,000,000
Committed - Adverse Claims Contingency Reserve	3,703,608	-
Unrestricted	2,861,350	1,764,556
Total net position	$ 6,564,958	$ 3,764,556

City of Surprise, Arizona

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

Employee Healthcare Trust Fund

For the quarter ended June 30, 2025

	Fourth Quarter Budget	FY 2025 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	$ 3,272,000	$ 3,266,454	$ (5,546)	(0.2%)
Dental	357,100	335,942	(21,158)	(5.9%)
Vision	46,200	45,170	(1,030)	(2.2%)
City Contributions				
Medical	16,984,300	15,578,917	(1,405,383)	(8.3%)
Dental	835,800	801,525	(34,275)	(4.1%)
Vision	133,300	130,136	(3,164)	(2.4%)
Cobra contributions	326,900	196,616	(130,284)	(39.9%)
Subrogation recovery	40,000	3,153	(36,847)	(92.1%)
Wellness reimbursement	131,000	82,142	(48,858)	(37.3%)
Pharmacy rebate	1,298,300	1,687,699	389,399	30.0%
Miscellaneous Revenue	-	27,500	27,500	-
Prior Year Recovery	-	177,032	177,032	-
Interest revenue	129,600	194,415	64,815	50.0%
Total operating revenues	23,554,500	22,526,701	(1,027,799)	(4.4%)
OPERATING EXPENSES				
Personnel (Wages/Benefits)	200,900	254,871	(53,971)	(26.9%)
Wellness				
Work/life balance	131,000	81,718	49,282	37.6%
Books & subscriptions	300	-	300	100.0%
Special event hosting	600	-	600	100.0%
Administration				
Medical	697,900	711,434	(13,534)	(1.9%)
Medical stop loss	1,174,500	1,160,486	14,014	1.2%
Dental	44,300	44,095	205	0.5%
Vision	18,100	17,896	204	1.1%
Claims				
Medical	14,797,600	13,775,695	1,021,905	6.9%
Pharmacy	4,993,200	4,946,273	46,927	0.9%
Dental	1,171,400	1,117,755	53,645	4.6%
Vision	173,600	205,886	(32,286)	(18.6%)
Professional outside services	122,800	130,266	(7,466)	(6.1%)
Travel & training	4,000	1,623	2,377	59.4%
Dues & membership	400	299	101	25.3%
Limited purpose flex spending	14,600	17,819	(3,219)	(22.0%)
Federal medical insurance fees	9,300	10,919	(1,619)	(17.4%)
Inventory Adjustment	-	(3,590)	3,590	-
Total operating expenses	23,554,500	22,473,445	1,081,055	4.6%
Operating income (loss)	-	53,256	53,256	
NONOPERATING REVENUES (EXPENSES)				
Total nonoperating revenues	-	-		
Income (loss) before contributions and transfers	-	53,256	53,256	
Change in net position	$ -	$ 53,256	$ 53,256	

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget to Actual
Workers' Compensation Fund
For the quarter ended June 30, 2025

	Fourth 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	35,717	-
Recovery of PY	-	1,184	1,184	-
Interest revenue	-	237,759	237,759	-
Total operating revenues	1,307,100	1,581,760	274,660	
OPERATING EXPENSES				
Personnel (Wages/Benefits)	145,000	97,361	47,639	32.9%
Administration				
Claim Settlement	886,700	780,186	106,514	12.0%
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	36,000	-	36,000	100.0%
Other professional services	85,000	96,570	(11,570)	(13.6%)
Total operating expenses	1,697,700	1,433,872	263,829	
Operating income (loss)	(390,600)	147,889	538,489	
Income (loss) before contributions and transfers	(390,600)	147,889	538,489	137.9%
Transfers in	-	-	-	
Change in net position	$ (390,600)	$ 147,889	$ 538,489	

Employee Health Care Activity

Claims Medical History By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
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	5,652,065	18,721,968

Net Income (loss) By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
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)	(852,084)	53,256

Stop Loss Credits

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
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	612,484	1,416,002

Pharmacy Rebate by Fiscal Year

	HMO 90216211	PPO 90216214	EPO 90216215	Total By Year
2018	$ 111,392	$ 101,497	$ -	$ 212,889
2019	264,706	240,185	-	504,891
2020	363,076	161,800	72,213	597,089
2021	300,178	99,161	52,092	451,431
2022	295,845	110,840	82,668	489,353
2023	553,282	274,223	225,233	1,052,739
2024	704,294	480,724	371,454	1,556,472
2025	837,865	442,817	407,017	1,687,699
Total By Plan	$ 3,430,639	$ 1,911,246	$ 1,210,677	$ 6,552,562

FY2025 IBNR
Medical, Dental and Vision Activity

	Medical	Dental	Vision	Total
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
April	23,909	132	-	24,041
May	34,467	-	-	34,467
June	6,989	-	-	6,989
Total FY 2024 Claims Run out	$ 1,363,577	$ 48,262	$ 3,856	$ 1,415,695
IBNR Valuation as of June 30, 2025	$ 1,540,000	$ 47,300	$ 4,200	
	(176,423)	962	(344)	

FY2024 IBNR	$ 1,591,500
Total Run Out Claims FY2025	(1,415,695)
	$ 175,805

City of Surprise, Arizona

Employee Healthcare Trust Fund and Workers' Compensation Fund
September 30, 2025

	Employee Healthcare Trust Fund	Workers' Compensation Trust Fund
ASSETS		
Current assets:		
Cash and investments	$ 8,212,642	$ 4,120,945
Other Receivables		-
Prepaid services	3,860	-
Total current assets	8,216,502	4,120,945
Noncurrent assets:		
Net OPEB asset	6,058	3,724
Total noncurrent assets	6,058	3,724
Total assets	8,222,560	4,124,669
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension related	34,464	20,740
Deferred outflows of resources - OPEB related	567	420
Total deferred outflows of resources	35,031	21,160
Total assets and deferred outflows of resources	8,257,591	4,145,829
LIABILITIES		
Current liabilities:		
Accounts payable	-	-
Claims payable	-	-
Accrued payroll and benefits	2,378	2,372
Compensated absences payable, due in less than one year	11,688	6,111
Claims - incurred but not reported (IBNR)	2,120,300	705,560
Total current liabilities	2,134,366	714,043
Noncurrent liabilities:		
Compensated absences payable, greater than one year	18,281	9,558
Net pension liability	156,636	94,260
Net OPEB liability	19	17
Total noncurrent liabilities	174,936	103,835
Total liabilities	2,309,302	817,878
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension related	10,303	6,200
Deferred inflow of resources - OPEB related	2,365	1,503
Total deferred inflows of resources	12,668	7,703
Total liabilities and deferred inflows of resources	2,321,970	825,581
NET POSITION		
Restricted for:		
Committed - Adverse Times Reserve	-	2,000,000
Committed - Adverse Claims Contingency Reserve	5,373,838	-
Unrestricted	561,783	1,320,248
Total net position	$ 5,935,621	$ 3,320,248

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget to Actual
Employee Healthcare Trust Fund
For the quarter ended September 30, 2025

	First Quarter Budget	FY 2026 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	$ 895,975	$ 838,401	$ (57,574)	(6.4%)
Dental	99,675	88,911	(10,764)	(10.8%)
Vision	12,150	11,301	(849)	(7.0%)
City Contributions	-	-	-	-
Medical	4,695,450	4,404,400	(291,050)	(6.2%)
Dental	234,775	212,939	(21,836)	(9.3%)
Vision	36,500	33,830	(2,670)	(7.3%)
Cobra contributions	46,250	75,566	29,316	63.4%
Subrogation recovery	-	2,377	2,377	-
Wellness reimbursement	35,000	-	(35,000)	(100.0%)
Pharmacy rebate	456,950	193,439	(263,511)	(57.7%)
Miscellaneous Revenue	-		-	-
Prior Year Recovery	-		-	-
Interest revenue	46,025		(46,025)	(100.0%)
Total operating revenues	6,558,750	5,861,164	(697,586)	
OPERATING EXPENSES				
Personnel (Wages/Benefits)	45,495	62,098	(16,603)	(36.5%)
Wellness				
Work/life balance	15,907	14,335	1,572	9.9%
Books & subscriptions	75	-	75	100.0%
Special event hosting	-	-	-	-
Administration				
Medical	247,035	297,563	(50,528)	(20.5%)
Medical stop loss	440,684	553,086	(112,402)	(25.5%)
Dental	15,606	11,807	3,799	24.3%
Vision	6,069	6,021	48	0.8%
Claims				
Medical	2,798,791	3,458,927	(660,136)	(23.6%)
Pharmacy	966,903	1,610,259	(643,356)	(66.5%)
Dental	238,636	357,990	(119,354)	(50.0%)
Vision	34,703	58,522	(23,819)	(68.6%)
Professional outside services	42,974	52,536	(9,562)	(22.3%)
Travel & training	815	-	815	100.0%
Dues & membership	-	299	(299)	-
Limited purpose flex spending	6,013	7,060	(1,047)	(17.4%)
Federal medical insurance fees	-	-	-	-
Total operating expenses	4,859,705	6,490,503	(1,630,798)	
Income (loss) before contributions and transfers	1,699,045	(629,339)	(2,328,384)	
Change in net position	$ 1,699,045	$ (629,339)	$ (2,328,384)	

City of Surprise, Arizona

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget to Actual
Workers' Compensation Fund
For the quarter ended September 30, 2025

	First Quarter Budget	FY 2026 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
City Contributions				
Worker's comp	$ 288,325	$ 342,000	$ 53,675	18.6%
Subrogation recovery	-	-	-	-
Claim Expense Reimbursement	-	-	-	-
Recovery of PY	-	-	-	-
Interest revenue	53,675	-	(53,675)	(100.0%)
Total operating revenues	342,000	342,000	-	
OPERATING EXPENSES				
Personnel (Wages/Benefits)	34,184	44,044	(9,860)	(28.8%)
Administration				
Claim Settlement	442,918	318,499	124,419	28.1%
Municipal Firefighters Cancer	500,000	413,406	86,594	17.3%
Software license	-	-	-	-
Taxes, Charges, Service Fees	-	-	-	-
Other professional services	33,751	10,495	23,256	68.9%
Total operating expenses	1,010,853	786,444	224,409	
Income (loss) before contributions and transfers	(668,853)	(444,444)	224,409	
Transfers in	-	-	-	
Change in net position	$ (668,853)	$ (444,444)	$ 224,409	

Employee Health Care Activity

Claims Medical History By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
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	5,652,065	18,721,968
2026	3,875,439				3,875,439

Net Income (loss) By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
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)	(903,064)	2,276
2026	(629,339)				(629,339)

Stop Loss Credits

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
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	612,484	1,416,002
2026	202,324				202,324

Pharmacy Rebate by Fiscal Year

	HMO 90216211	PPO 90216214	EPO 90216215	Total By Year
2018	$ 111,392	$ 101,497	$ -	$ 212,889
2019	264,706	240,185	-	504,891
2020	363,076	161,800	72,213	597,089
2021	300,178	99,161	52,092	451,431
2022	295,845	110,840	82,668	489,353
2023	553,282	274,223	225,233	1,052,739
2024	704,294	480,724	371,454	1,556,472
2025	837,865	442,817	407,017	1,687,699
2026	66,758	72,709	53,973	193,440
Total By Plan	$ 3,497,397	$ 1,983,955	$ 1,264,650	$ 6,746,002

FY2026 IBNR
Medical, Dental and Vision Activity

	Medical	Dental	Vision	Total
July	$ 980,319	$ 29,194	$ 5,520	$ 1,015,033
August	170,583	4,895	-	175,478
September	54,919	1,586	-	56,506
October				-
November				-
December				-
January				-
February				-
March				-
April				-
May				-
June				-
Total FY 2025 Claims Run out	$ 1,205,822	$ 35,675	$ 5,520	$ 1,247,017
IBNR Valuation as of June 30, 2025	$ 2,062,500	$ 47,300	$ 10,500	
	(856,678)	(11,625)	(4,980)	

FY2025 IBNR	$ 2,120,300
Total Run Out Claims FY2026	(1,247,017)
	$ 873,283

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 3, 2025
Submitting Department: Finance
Staff Recommendations:

Contact Person: Sandy Simmons, Finance Director
District: Citywide

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

Agenda Wording:
Consideration and action pertaining to the Health Benefits Trust Fund Board Annual Calendar for 2026.

Motion:
I move to approve the Health Benefits Trust Fund Board Annual Calendar for 2026. (Or, if amended) - I move to approve the Health Benefits Trust Fund Baord Annual Calendar for 2026, as amended.

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

Objective Analysis:

Policy Compliant:

Financial Impact:
No financial impact.

Budget Impact:
No budget impact.
FTE Impact:

ATTACHMENTS:
1. HBTF PROPOSED CALENDAR - 2026

CITY OF SURPRISE

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

2025 Meeting Calendar

Health Benefits Trust Fund Board Meetings

Annual Calendar	**Regular Quarterly Meetings**
Location	**City of Surprise – Council Overflow Room**

Regular Meetings

March 4, 2026*	**3:00 pm**
June 3, 2026	**4:00 pm**
August 26, 2026	**4:00 pm**
December 2, 2026	**4:00 pm**

*** Earlier March 4, 2026 Meeting Includes:**

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

CITY OF SURPRISE
Health Benefits Trust Fund Board Meeting

Council Meeting Date: December 3, 2025
Submitting Department: Finance
Staff Recommendations:

Contact Person: Sandy Simmons, Finance Director
District: Internal

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

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

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

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

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

Background:
Per the City of Surprise Municipal Code and Boards and Commissions Handbook, the Health Benefits Trust Fund Board must annually elect, at the first meeting of the new fiscal year, a Chairperson and Vice-Chairperson. As this item was inadvertently omitted from the first meeting of this fiscal year, the elected Chairperson and Vice-Chairperson will serve the remainder of the fiscal year, through June 30, 2026.

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

Policy Compliant:

Financial Impact:
No financial impact.

Budget Impact:

No budget impact.

FTE Impact:

No FTE impact.

ATTACHMENTS:
