



**CITY OF SURPRISE**  
**Health Benefits Trust Fund Board Meeting**  
**16000 N. Civic Center Plaza**  
**Surprise, AZ 85374**  
 Wednesday, March 4, 2026 @ 3:00 PM  
 COUNCIL CHAMBERS OVERFLOW ROOM

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

CONSENT AGENDA:

- |    |          |  |         |
|----|----------|--|---------|
| 1. | Citywide | Consideration and action pertaining to approval of the December 3, 2025 Health Benefits Trust Fund Board meeting minutes | Finance |
|----|----------|--|---------|

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- |    |          |   |                             |
|----|----------|---|-----------------------------|
| 2. | Citywide | Presentation and discussion pertaining to CBIZ Consulting FY2026 2nd Quarter Report   | Joesette Frausto<br>Finance |
| 3. | Citywide | Presentation and discussion pertaining to the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund Financial Report for FY2026 2nd Quarter | Sandy Simmons<br>Finance    |
| 4. | Citywide | Consideration and action pertaining to the approval of the recommended FY2027 Health Benefit Trust Fund Budget  | Sandy Simmons<br>Finance    |
| 5. | Citywide | Consideration and action pertaining to the approval of the FY2027 Workers' Compensation Plan Budget   | Finance                     |
| 6. | Internal | Consideration and action to elect a Chairperson for the Health Benefits Trust Fund Board  | Sandy Simmons<br>Finance    |
| 7. | Internal | Consideration and action to elect a Vice-Chairperson for the Health Benefits Trust Fund Board   | Sandy Simmons<br>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

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KRISTI PASSARELLI, CITY CLERK

POSTED: Monday, March 2nd 2026 @ 3:30 PM

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



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

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Council Meeting Date: March 4, 2026  
Submitting Department: Finance  
Staff Recommendations:

Contact Person:  
District: Citywide

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

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**Agenda Wording:**

Consideration and action pertaining to approval of the December 3, 2025 Health Benefits Trust Fund Board meeting minutes

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**Motion:**

I move to approve the December 3, 2025 Health Benefits Trust Fund Board meeting minutes.

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**Background:**

Attached are the minutes from the December 3, 2025 meeting.

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**Objective Analysis:**

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**Policy Compliant:**

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**Financial Impact:**

No financial impact.

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**Budget Impact:**

No budget impact.

**FTE Impact:**

No FTE impact.

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**ATTACHMENTS:**

1. HBTF MINUTES 12.03.25
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## **CITY OF SURPRISE**

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

**December 3, 2025**

## **MEETING MINUTES**

### **CALL TO ORDER**

Chairperson William Coniam called the Health Benefits Trust Fund Meeting to order at 3:58 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, December 3, 2025.

### **ROLL CALL**

In attendance were Chairperson William Coniam, Board Member Barbara Minick, and Board Member Sandy Simmons. Vice Chair Candice Rachal was absent, excused.

### **STAFF PRESENT:**

Digger Oster, Risk Manager - Senior; Ariana Reyna, Human Resources Business Partner; Michele Fite, Human Resources Business Partner; Erick Martin, Assistant Director – Finance; Linda Beyersdorf, Budget Manager; Jenna Klidas, Financial Management Analyst – Senior; Laura Roybal, Management Analyst.

### **PLEDGE OF ALLEGIANCE**

### **CURRENT EVENTS REPORT**

None

### **STAFF REPORT**

None

### **CALL TO THE PUBLIC**

None

### **CONSENT AGENDA**

#### **Item 1: Consideration and action pertaining to approval of the August 27, 2025 Health Benefits Trust Fund Board meeting minutes.**

- Board Member Sandy Simmons made a motion to approve the minutes for the August 27, 2025 meeting. Board Member Barb Minick seconded the motion. Motion passed.

### **REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING**

#### **Item 2: Presentation and discussion pertaining to CBIZ Consulting FY2026 1<sup>st</sup> Quarter Report.**

- Melissa Barbakoff presented CBIZ Consulting's FY2026 1<sup>st</sup> 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 Reports for FY2025 4<sup>th</sup> Quarter and FY2026 1<sup>st</sup> Quarter.**

- Erick presented the FY2025 4<sup>th</sup> Quarter and FY2026 1<sup>st</sup> Quarter Financial Reports.

**Item 4: Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar for 2026.**

- Board Member Sandy Simmons made a motion to approve the meeting calendar for 2026. Board Member Barb Minick seconded the motion. Motion passed.

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

- Under the circumstances of one board member being absent, and the potential for a new board member before the next meeting, Chairperson William Coniam made a motion to postpone the election of Chairperson and Vice Chair until the next meeting. Board Member Barb Minick seconded the motion. Motion passed.

**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 4:24 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: March 4, 2026

Contact Person: Joesette Frausto, DIRECTOR -  
HUMAN RESOURCES

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

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Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

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**Agenda Wording:**

Presentation and discussion pertaining to CBIZ Consulting FY2026 2nd Quarter Report

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**Motion:**

None; discussion only

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**Background:**

CBIZ Consulting will present the 2nd Quarter self-funded medical, dental, and vision report for plan year FY2026 for the city. This report contains financial information and claims activity.

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**Objective Analysis:**

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**Policy Compliant:**

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**Financial Impact:**

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

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**Budget Impact:**

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

**FTE Impact:**

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**ATTACHMENTS:**

1. City of Surprise Medical, Dental & Vision Experience 12 25- FInal
-



# City of Surprise

Medical, Pharmacy, Dental, and Vision Experience

Plan Year: July 2025 – June 2026

Month End: December 2025

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

# City of Surprise Executive Summary as of December 2025

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## Medical

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

Expected claims throughout the second quarter have come in at 89.6% of expected and 78% for maximum claim liability, which is an excellent result. The claims in the second quarter experience reflect an elevation in costs. Medical and pharmacy claims both experienced shot term spikes, which can be attributed to a small number of high-dollar claims, including specialty pharmacy utilization. However, year-to-date results remain within acceptable ranges, and the plan continues to perform close to expectations.

## Pharmacy

Pharmacy claims when averaged remained about the same as in the first quarter. In the first quarter of the plan year the average monthly pharmacy claims are \$542,627, this is before rebates are applied and in the second quarter the average paid claims were \$543,556. The first rebate has been applied in the amount of \$634,681.

## Claims Spend & Loss Ratio by Plan Design

- HMO -48% of total claims, 122% loss ratio
- PPO – 35% of total claims, 91.6% loss ratio
- EPO – 17% of total claims, 59.9% loss ratio

## Large Claims

There are 12 large claimants over the \$100,000 threshold through the second quarter. Eight of the twelve claimants are known large claimants from prior years. Two members have met the stop loss deductible, and \$306,145 has been reimbursed to the plan. Large claims now represent 21.5% of overall spend.

## Prior Plan Year – 3 Months of Runout

The prior paid claims and administration section of the report shows that gross run out claims through December were \$2,063,747, after rebates and stop loss recoveries that amount drops to \$975,728. The prior plan year with claims through the second quarter performed at 89.8% 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 PY26 to be 9.3% higher than PY25. It is still very early, and this number tends to fluctuate as claims become more mature.

- **Medical Claims:** 5.3% **lower** in comparison to PY25.
- **Pharmacy Claims:** 30.7% **higher** than the PY25 plan year. (Gross) Prior to rebates.

Both medical and pharmacy claims were adjusted for the increase in enrollment of 3.25%.

## Dental

Dental claims are performing just above expected. The current loss ratio through December is 101.6%. Through December the dental paid claims per employee, per month (PEPM) are \$95.60. On the Annual Cost Comparison slide, the FY2025 Total Cost for dental is projected to be 4.2% higher than the prior year.

## Vision

Vision claims for the second quarter are well above normal. The current loss ratio is 152.2%. Through December the vision paid claims per employee, per month (PEPM) is \$20.88. On the Annual Cost Comparison slide, the FY2026 Total Cost for vision is projected to be -0.1% in comparison to the prior year. The plan for 10 years fluctuated between \$9-11 PEPM, now the plan is running at \$18.20 PEPM.

# City of Surprise

## Paid Claims and Administration

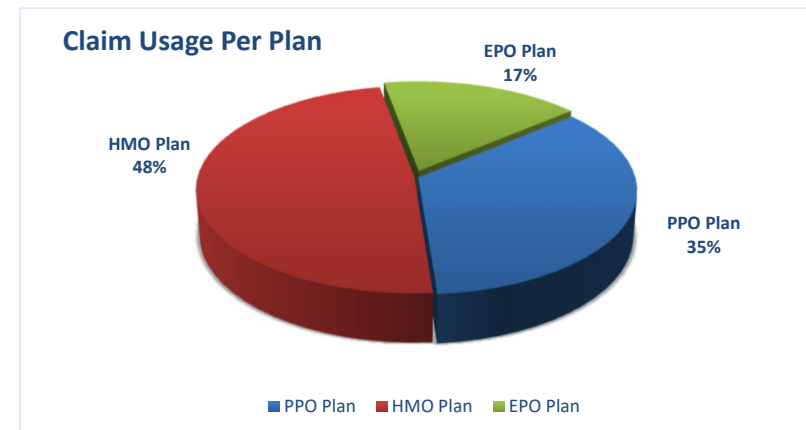
Plan Year: July 2025 to June 2026 (as of December 2025)

### 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 Reimbursement PEPM	Total Claims & Fixed Costs PEPM
Jul-25	1,028	\$ 1,605,734	\$ 1,970,545	\$ 324,995	\$ 587,402	\$ 5,540	\$ -	\$ 2,580	\$ 8,318	\$ 1,053	\$ -	\$ 929,888	\$ 171,046	\$ 1,100,934	57.9%	47.2%	\$ 327.77	\$ 576.79	\$ 904.56	\$ 904.56	\$ 1,070.95
Aug-25	1,036	\$ 1,608,332	\$ 1,974,740	\$ 861,078	\$ 520,598	\$ 17,690	\$ -	\$ 2,778	\$ 8,195	\$ 1,084	\$ -	\$ 1,411,424	\$ 172,379	\$ 1,583,803	87.8%	71.5%	\$ 842.79	\$ 519.58	\$ 1,362.38	\$ 1,362.38	\$ 1,528.77
Sep-25	1,039	\$ 1,617,286	\$ 1,984,642	\$ 1,161,514	\$ 513,297	\$ 15,133	\$ -	\$ 7,116	\$ 8,292	\$ -	\$ -	\$ 1,705,352	\$ 172,878	\$ 1,878,230	105.4%	85.9%	\$ 1,132.74	\$ 508.59	\$ 1,641.34	\$ 1,641.34	\$ 1,807.73
Oct-25	1,046	\$ 1,622,753	\$ 1,992,379	\$ 1,247,381	\$ 619,061	\$ 2,047	\$ -	\$ 4,467	\$ 8,365	\$ -	\$ (26,440)	\$ 1,854,881	\$ 174,044	\$ 2,028,925	114.3%	93.1%	\$ 1,204.79	\$ 593.79	\$ 1,798.59	\$ 1,773.31	\$ 1,939.70
Nov-25	1,049	\$ 1,623,414	\$ 1,993,589	\$ 1,053,626	\$ 453,825	\$ 11,226	\$ -	\$ 3,441	\$ 8,304	\$ -	\$ (24,031)	\$ 1,506,391	\$ 174,543	\$ 1,680,935	92.8%	75.6%	\$ 1,015.61	\$ 443.33	\$ 1,458.93	\$ 1,436.03	\$ 1,602.42
Dec-25	1,049	\$ 1,625,430	\$ 1,995,451	\$ 1,592,358	\$ 557,784	\$ 10,055	\$ (634,681)	\$ 5,664	\$ 8,333	\$ -	\$ (255,674)	\$ 1,283,840	\$ 174,543	\$ 1,458,383	79.0%	64.3%	\$ 1,531.32	\$ 541.31	\$ 1,467.60	\$ 1,223.87	\$ 1,390.26
Jan-26																					
Feb-26																					
Mar-26																					
Apr-26																					
May-26																					
Jun-26																					
<b>Total</b>	<b>6,247</b>	<b>\$ 9,702,949</b>	<b>\$ 11,911,346</b>	<b>\$ 6,240,952</b>	<b>\$ 3,251,967</b>	<b>\$ 61,692</b>	<b>\$ (634,681)</b>	<b>\$ 26,047</b>	<b>\$ 49,807</b>	<b>\$ 2,137</b>	<b>\$ (306,145)</b>	<b>\$ 8,691,776</b>	<b>\$ 1,039,434</b>	<b>\$ 9,731,209</b>	<b>89.6%</b>	<b>73.0%</b>	<b>\$ 1,011.52</b>	<b>\$ 520.56</b>	<b>\$ 1,440.36</b>	<b>\$ 1,391.35</b>	<b>\$ 1,557.74</b>
<b>Avg</b>	<b>1,041</b>																				

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
<b>Total Fixed Costs</b>	<b>\$166.74</b>	<b>\$166.74</b>	<b>\$166.74</b>	<b>\$166.19</b>	<b>\$166.19</b>	<b>\$166.19</b>	<b>\$166.19</b>	<b>\$166.19</b>	<b>\$166.19</b>

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 December 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	\$ 574,400	\$ 729,812	\$ 104,117	\$ 214,700	\$ -	\$ 318,817	\$ 61,360	\$ 380,177	55.5%	43.7%	\$282.93	\$583.42	\$866.35	\$1,033.09
Aug-25	375	\$ 578,420	\$ 735,812	\$ 226,408	\$ 200,891	\$ -	\$ 427,299	\$ 62,528	\$ 489,826	73.9%	58.1%	\$603.75	\$535.71	\$1,139.46	\$1,306.20
Sep-25	376	\$ 581,437	\$ 739,457	\$ 334,568	\$ 219,588	\$ -	\$ 554,156	\$ 62,694	\$ 616,850	95.3%	74.9%	\$889.81	\$584.01	\$1,473.82	\$1,640.56
Oct-25	380	\$ 587,636	\$ 747,340	\$ 501,552	\$ 223,838	\$ (26,440)	\$ 698,950	\$ 63,361	\$ 762,311	118.9%	93.5%	\$1,319.87	\$589.05	\$1,908.92	\$2,006.08
Nov-25	382	\$ 590,652	\$ 751,185	\$ 444,321	\$ 157,198	\$ (24,031)	\$ 577,488	\$ 63,695	\$ 641,183	97.8%	76.9%	\$1,163.14	\$411.51	\$1,574.66	\$1,678.49
Dec-25	382	\$ 589,144	\$ 749,464	\$ 441,675	\$ 213,537	\$ (24,786)	\$ 630,426	\$ 63,695	\$ 694,121	107.0%	84.1%	\$1,156.22	\$559.00	\$1,715.21	\$1,817.07
Jan-26															
Feb-26															
Mar-26															
Apr-26															
May-26															
Jun-26															
<b>Total</b>	<b>2,263</b>	<b>\$ 3,501,690</b>	<b>\$ 4,453,070</b>	<b>\$ 2,052,641</b>	<b>\$ 1,229,752</b>	<b>\$ (75,257)</b>	<b>\$ 3,207,136</b>	<b>\$ 377,333</b>	<b>\$ 3,584,469</b>	<b>91.6%</b>	<b>72.0%</b>	<b>\$907.04</b>	<b>\$543.42</b>	<b>\$1,450.46</b>	<b>\$1,583.95</b>
<b>Avg</b>	<b>377</b>														

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
<b>Total Fixed Costs</b>	<b>\$166.74</b>	<b>\$166.74</b>	<b>\$166.74</b>

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	87	169	368
August	119	88	168	375
September	118	89	169	376
October	121	86	173	380
November	121	88	173	382
December	122	88	172	382
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>713</b>	<b>526</b>	<b>1,024</b>	<b>2,263</b>

**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2025 to June 2026 (as of December 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	349	\$ 613,509	\$ 751,377	\$ 127,392	\$ 277,876	\$ -	\$ 405,268	\$ 58,000	\$ 463,268	66.1%	53.9%	\$365.02	\$796.21	\$1,161.23	\$1,327.42
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	\$ 194,461	\$ -	\$ 842,561	\$ 57,169	\$ 899,730	139.4%	113.8%	\$1,884.01	\$565.29	\$2,449.31	\$2,615.50
Oct-25	345	\$ 605,164	\$ 741,303	\$ 602,146	\$ 280,253	\$ -	\$ 882,398	\$ 57,336	\$ 939,734	145.8%	119.0%	\$1,745.35	\$812.33	\$2,557.68	\$2,723.87
Nov-25	343	\$ 600,644	\$ 735,880	\$ 419,225	\$ 205,421	\$ -	\$ 624,646	\$ 57,003	\$ 681,649	104.0%	84.9%	\$1,222.23	\$598.90	\$1,821.13	\$1,987.32
Dec-25	342	\$ 599,945	\$ 734,906	\$ 966,464	\$ 238,427	\$ (230,888)	\$ 974,002	\$ 56,837	\$ 1,030,839	162.3%	132.5%	\$2,825.92	\$697.15	\$3,523.07	\$3,014.15
Jan-26															
Feb-26															
Mar-26															
Apr-26															
May-26															
Jun-26															
<b>Total</b>	<b>2,069</b>	<b>\$ 3,631,149</b>	<b>\$ 4,447,808</b>	<b>\$ 3,256,533</b>	<b>\$ 1,415,465</b>	<b>\$ (230,888)</b>	<b>\$ 4,441,110</b>	<b>\$ 343,847</b>	<b>\$ 4,784,957</b>	<b>122.3%</b>	<b>99.8%</b>	<b>\$1,573.96</b>	<b>\$684.13</b>	<b>\$2,258.09</b>	<b>\$2,312.69</b>
<b>Avg</b>	<b>345</b>														

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
<b>Total Fixed Costs</b>	<b>\$166.19</b>	<b>\$166.19</b>	<b>\$166.19</b>

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

Month	Number of Enrollees by Month			Total
	EE	EE + 1	EE + Fam	
July	78	77	194	349
August	78	76	192	346
September	77	76	191	344
October	78	76	191	345
November	78	76	189	343
December	77	76	189	342
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>466</b>	<b>457</b>	<b>1,146</b>	<b>2,069</b>

**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2025 to June 2026 (as of December 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	\$ 100,679	\$ -	\$ 242,143	\$ 52,350	\$ 294,492	57.3%	48.9%	\$449.09	\$319.62	\$768.71	\$934.90
Sep-25	319	\$ 431,385	\$ 504,857	\$ 178,846	\$ 99,248	\$ -	\$ 278,094	\$ 53,015	\$ 331,109	64.5%	55.1%	\$560.64	\$311.12	\$871.77	\$1,037.96
Oct-25	321	\$ 429,953	\$ 503,737	\$ 143,684	\$ 114,970	\$ -	\$ 258,654	\$ 53,347	\$ 312,001	60.2%	51.3%	\$447.61	\$358.16	\$805.78	\$971.97
Nov-25	324	\$ 432,117	\$ 506,524	\$ 190,080	\$ 91,206	\$ -	\$ 281,286	\$ 53,846	\$ 335,131	65.1%	55.5%	\$586.67	\$281.50	\$868.17	\$1,034.36
Dec-25	325	\$ 436,341	\$ 511,081	\$ 184,220	\$ 105,820	\$ -	\$ 290,040	\$ 54,012	\$ 344,052	66.5%	56.8%	\$566.83	\$325.60	\$892.43	\$1,058.62
Jan-26															
Feb-26															
Mar-26															
Apr-26															
May-26															
Jun-26															
<b>Total</b>	<b>1,915</b>	<b>\$ 2,570,110</b>	<b>\$ 3,010,469</b>	<b>\$ 931,778</b>	<b>\$ 606,749</b>	<b>\$ -</b>	<b>\$ 1,538,528</b>	<b>\$ 318,254</b>	<b>\$ 1,856,781</b>	<b>59.9%</b>	<b>51.1%</b>	<b>\$486.57</b>	<b>\$316.84</b>	<b>\$803.41</b>	<b>\$969.60</b>
<b>Avg</b>	<b>319</b>														

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
<b>Total Fixed Costs</b>	<b>\$166.19</b>	<b>\$166.19</b>	<b>\$166.19</b>

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

Month	Number of Enrollees by Month			Total
	EE	EE + 1	EE + Fam	
July	130	47	134	311
August	132	48	135	315
September	131	49	139	319
October	134	51	136	321
November	135	55	134	324
December	133	56	136	325
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>795</b>	<b>306</b>	<b>814</b>	<b>1,915</b>

# City of Surprise

## Paid Claims and Administration

Plan Year: July 2024 to June 2025 (as of December 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 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	1,020	\$ 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
<b>Total</b>	<b>12,101</b>	<b>\$ 18,383,221</b>	<b>\$ 21,373,499</b>	<b>\$ 12,533,204</b>	<b>\$ 4,819,475</b>	<b>\$ 161,680</b>	<b>\$ (1,132,693)</b>	<b>\$ 31,186</b>	<b>\$ 98,038</b>	<b>\$ 23,687</b>	<b>\$ (969,485)</b>	<b>\$ 15,565,092</b>	<b>\$ 1,872,478</b>	<b>\$ 17,437,570</b>	<b>84.7%</b>	<b>72.8%</b>	<b>\$ 1,048.35</b>	<b>\$ 398.27</b>	<b>\$ 1,366.38</b>	<b>\$ 1,286.26</b>	<b>\$ 1,441.00</b>
<b>Avg</b>	<b>1,008</b>																				

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	\$ 62,423	\$ -	\$ -	\$ 13	\$ -	\$ (24)	\$ 62,412
Nov-25	\$ 144,248	\$ -	\$ -	\$ 11	\$ -	\$ -	\$ 144,259
Dec-25	\$ 38,105	\$ -	\$ -	\$ 63	\$ -	\$ (19,645)	\$ 18,523
Jan-26							
Feb-26							
Mar-26							
Apr-26							
May-26							
Jun-26							
<b>Total</b>	<b>\$ 2,063,747</b>	<b>\$ -</b>	<b>\$ (598,605)</b>	<b>\$ 2,518</b>	<b>\$ 97</b>	<b>\$ (492,029)</b>	<b>\$ 975,728</b>

\* 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
\$ 17,978,646	\$ (1,461,513)	\$ 16,517,133	\$ 1,872,478	\$ 18,389,611	89.8%	77.3%	\$ 1,519.68

**City of Surprise**  
**Plan Year: July 2025 to June 2026 (as of December 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	PEPM Total Cost History		Increase/Decrease
									2014/2015	2015/2016	
Medical Claims Costs*	\$14,888,891	\$1,230.39	\$14,557,646	\$1,165.17	-2.22%	(\$331,245)	-5.3%	(\$65.21)	2014/2015	\$1,079.93	
Rx Claims Costs	\$4,819,475	\$398.27	\$6,503,933	\$520.56	34.95%	\$1,684,459	30.7%	\$122.29	2015/2016	\$1,160.82	7.5%
PaydHealth Program Fees	\$161,680		\$123,383	\$9.88					2016/2017	\$1,202.07	3.6%
Rx Rebates	(\$1,731,297)	(\$143.07)	(\$2,000,000)	(\$160.08)	15.52%	(\$268,703)	11.9%	(\$17.01)	2017/2018	\$1,151.77	-4.2%
Blue Card, Captitation Expenses, Misc and Value Based Services	\$155,525	\$12.85	\$145,982	\$11.68	-6.14%	(\$9,542)	-9.1%	(\$1.17)	2018/2019	\$1,200.23	4.2%
Stop Loss Recoveries	(\$1,461,513)	(\$120.78)	(\$306,145)	(\$24.50)	n/a	\$1,155,368	n/a	\$96.27	2019/2020	\$1,201.50	0.1%
Fixed Costs	\$1,872,478	\$154.74	\$2,078,867	\$166.39	11.02%	\$206,389	7.5%	\$11.65	2020/2021	\$1,178.50	-1.9%
<b>Total Costs</b>	<b>\$18,705,237</b>	<b>\$1,545.76</b>	<b>\$21,103,667</b>	<b>\$1,689.10</b>	<b>12.8%</b>	<b>\$2,398,430</b>	<b>9.3%</b>	<b>\$143.34</b>	2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,420.82	10.2%
									2023/2024	\$1,443.37	1.6%
									2024/2025	\$1,545.76	7.1%
									2025/2026 (Est.)	\$1,689.10	9.3%

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	12,101	12,494	3.25%	393

\*2024/2025 Medical Claims Costs includes actual run out

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

**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	PEPM Total Cost History		Increase/Decrease
									2014/2015	2015/2016	
Medical Claims Costs*	\$12,452,839	\$1,093.03	\$14,888,891	\$1,230.39	19.56%	\$2,436,051	12.6%	\$137.36	2014/2015	\$1,079.93	
Rx Claims Costs	\$4,644,959	\$407.70	\$4,819,475	\$398.27	3.76%	\$174,515	-2.3%	(\$9.43)	2015/2016	\$1,160.82	7.5%
PaydHealth Program Fees			\$161,680	\$13.36					2016/2017	\$1,202.07	3.6%
Rx Rebates	(\$1,515,510)	(\$133.02)	(\$1,731,297)	(\$143.07)	14.24%	(\$215,787)	7.6%	(\$10.05)	2017/2018	\$1,151.77	-4.2%
Blue Card, Captitation Expenses, Misc and Value Based Services	\$156,810	\$13.76	\$155,525	\$12.85	-0.82%	(\$1,285)	-6.6%	(\$0.91)	2018/2019	\$1,200.23	4.2%
Stop Loss Recoveries	(\$969,824)	(\$85.12)	(\$1,461,513)	(\$120.78)	n/a	(\$491,690)	n/a	(\$35.65)	2019/2020	\$1,201.50	0.1%
Fixed Costs	\$1,675,068	\$147.03	\$1,872,478	\$154.74	11.79%	\$197,409	5.2%	\$7.71	2020/2021	\$1,178.50	-1.9%
<b>Total Costs</b>	<b>\$16,444,343</b>	<b>\$1,443.37</b>	<b>\$18,705,237</b>	<b>\$1,545.76</b>	<b>13.7%</b>	<b>\$2,260,894</b>	<b>7.1%</b>	<b>\$102.39</b>	2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,420.82	10.2%
									2023/2024	\$1,443.37	1.6%
									2024/2025	\$1,545.76	7.1%

	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 December 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	HMO	\$480,569	\$320	\$480,888	\$137,330	\$343,558	100.0%	(\$230,888)	\$250,000
2	I001	N	Active	PPO	\$213,258	\$111,999	\$325,257	\$300,471	\$24,786	100.0%	(\$75,257)	\$250,000
3	I003	N	Active	HMO	\$188,182	\$404	\$188,586	\$145,345	\$43,241	75.4%		\$188,586
4	I002	N	Active	HMO	\$151,601	\$1,216	\$152,817	\$144,101	\$8,716	61.1%		\$152,817
5	F002	Y	Active	HMO	\$139,443	\$1,977	\$141,420		\$141,420	56.6%		\$141,420
6	C006	Y	Active	EPO	\$2,032	\$112,560	\$114,592		\$114,592	45.8%		\$114,592
7	F001	Y	Active	HMO	\$111,855	\$265	\$112,120		\$112,120	44.8%		\$112,120
8	E002	Y	Active	PPO	\$108,295	\$823	\$109,117		\$109,117	43.6%		\$109,117
9	H009	Y	Active	PPO	\$105,898	\$17	\$105,915		\$105,915	42.4%		\$105,915
10	I004	N	Active	PPO	\$31	\$105,501	\$105,532		\$105,532	42.2%		\$105,532
11	H006	Y	Active	HMO	\$100,726	\$598	\$101,324		\$101,324	40.5%		\$101,324
12	H005	Y	Active	HMO	\$974	\$99,755	\$100,729		\$100,729	40.3%		\$100,729

<b>Total</b>	<b>\$1,602,863</b>	<b>\$435,434</b>	<b>\$2,038,296</b>	<b>\$727,247</b>	<b>\$1,311,050</b>
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<b>(\$306,145)</b>	<b>\$1,732,151</b>
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<b>Percentage of Large Claims vs. Medical &amp; Rx Claims</b>	<b>21.5%</b>
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Green highlight denotes new claimant in the current quarter.



**City of Surprise**

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

Plan Year: July 2024 to June 2025 (as of December 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	\$403,150	\$24,094	\$427,244	\$407,599	\$19,645	100.0%	(\$177,244)	\$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	\$234,094	\$0	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	\$186,954	\$0	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	\$126,588	\$9,149	\$135,737	\$135,737	\$0	54.3%		\$135,737
14	H012	N	Active	PPO	\$97,136	\$22,249	\$119,385	\$119,385	\$0	47.8%		\$119,385
15	D014	Y	Active	PPO	\$111,175	\$6,516	\$117,691	\$117,691	\$0	47.1%		\$117,691
16	C018	Y	Active	HMO	\$74,845	\$38,941	\$113,786	\$113,786	\$0	45.5%		\$113,786
17	H011	N	Termed	PPO	\$112,868	\$109	\$112,977	\$112,977	\$0	45.2%		\$112,977
18	H004	N	Active	EPO	\$111,354	\$0	\$111,354	\$111,354	\$0	44.5%		\$111,354
19	H009	N	Active	PPO	\$109,909	\$42	\$109,951	\$109,951	\$0	44.0%		\$109,951
20	H008	N	Active	HMO	\$2,765	\$100,846	\$103,611	\$103,611	\$0	41.4%		\$103,611
<b>Total</b>					<b>\$3,814,768</b>	<b>\$905,181</b>	<b>\$4,719,949</b>	<b>\$4,700,303</b>	<b>\$19,645</b>		<b>(\$1,349,048)</b>	<b>\$3,370,901</b>

<b>Percentage of Large Claims vs. Medical &amp; Rx Claims</b>	<b>24.3%</b>
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## 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 <sup>st</sup> Q rebates of \$131,400)
\$56.32 – Results thru June, 2020	(does not include 2 <sup>nd</sup> Q rebates of \$120,281)
\$87.82 – Results thru September, 2020	(does not include 3 <sup>rd</sup> Q rebates of \$132,089)
\$74.55 – Results thru December, 2020	(does not include 4 <sup>th</sup> Q rebates of \$125,975)

#### Prior Calendar Year – 2021

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

#### Prior Calendar Year – 2022

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

#### Prior Calendar Year – 2023

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

#### Prior Calendar Year – 2024

\$144.99 – Results thru March, 2024	(does not include 1 <sup>st</sup> Q rebates of \$396,965)
\$162.95 – Results thru June, 2024	(does not include 2 <sup>nd</sup> Q rebates of \$430,420)
\$119.01 – Results thru September, 2024	(does not include 3 <sup>rd</sup> Q rebates of \$289,500)
\$134.50 – Results thru December, 2024	(does not include 4 <sup>th</sup> Q rebates of \$386,354)

#### Current Calendar Year – 2025

\$145.95 – Results thru March, 2025	(does not include 1 <sup>st</sup> Q rebates of \$492,813)
\$176.85 – Results thru June, 2025	(does not include 2 <sup>nd</sup> Q rebates of \$589,038)
\$192.17 – Results thru September, 2025	(does not include 3 <sup>rd</sup> Q rebates of \$634,681)
\$191.99 – Results thru December, 2025	(does not include estimated 4 <sup>th</sup> Q rebates of \$450,000)

The move to CVS Caremark has effectively lowered the PMPM (Per Member Per Month) trend, and your PMPM trend continues to perform better than the broader CVS book of business.

Projected Rebates (CY 25 - 12 months) - on track to approach \$2 million

Projected Rebates Per Quarter (Per CBIZ Funding Projection) average between \$450,000 and \$500,000

*Please note that unexpected changes in utilization may result in variances against these targets.*

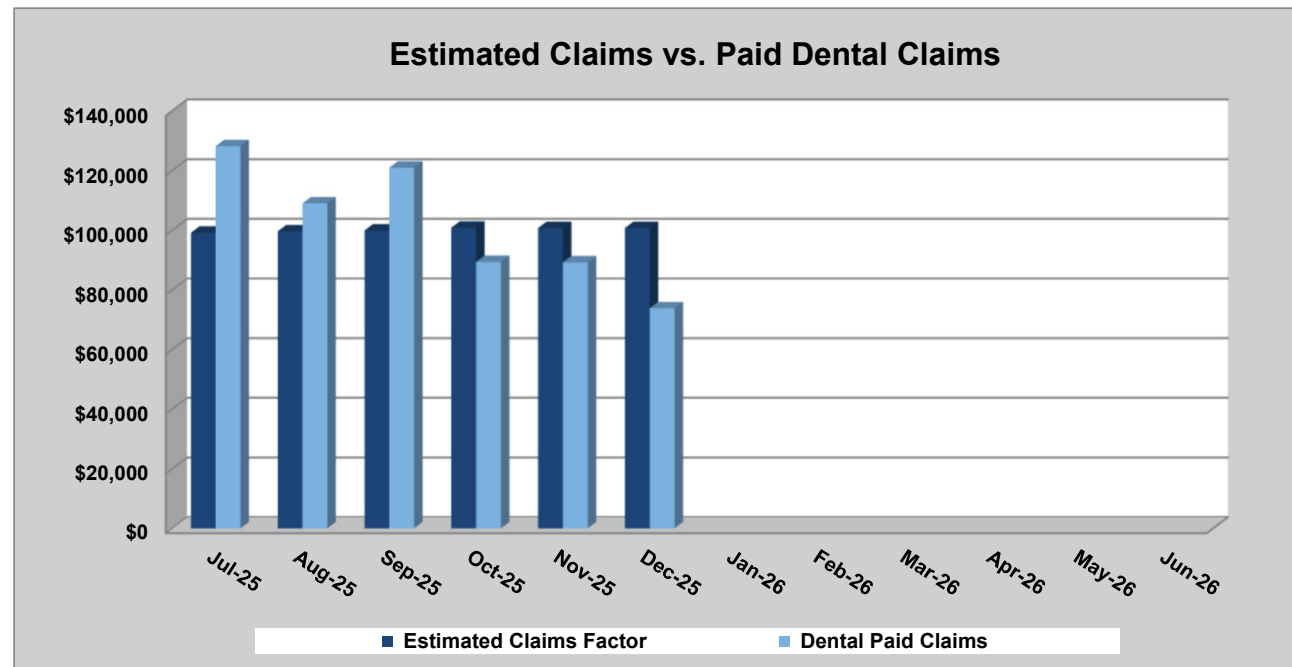


# Dental Reports

**City of Surprise**  
**Delta Dental Self Funded Paid Claims**  
**Plan Year: July 2025 to June 2026 (as of December 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-25	1,053	\$99,108	\$3,928	\$128,128	\$132,056	129.3%	\$121.68	\$125.41
Aug-25	1,058	\$99,579	\$3,946	\$108,941	\$112,888	109.4%	\$102.97	\$106.70
Sep-25	1,061	\$99,861	\$3,958	\$120,921	\$124,879	121.1%	\$113.97	\$117.70
Oct-25	1,071	\$100,803	\$3,991	\$89,318	\$93,309	88.6%	\$83.40	\$87.12
Nov-25	1,070	\$100,708	\$3,991	\$89,159	\$93,150	88.5%	\$83.33	\$87.06
Dec-25	1,070	\$100,708	\$3,991	\$73,768	\$77,759	73.2%	\$68.94	\$72.67
Jan-26								
Feb-26								
Mar-26								
Apr-26								
May-26								
Jun-26								
<b>Total</b>	<b>6,383</b>	<b>\$600,768</b>	<b>\$23,805</b>	<b>\$610,234</b>	<b>\$634,039</b>	<b>101.6%</b>	<b>\$95.60</b>	<b>\$99.33</b>
Avg PEPM Enrollment	1064							

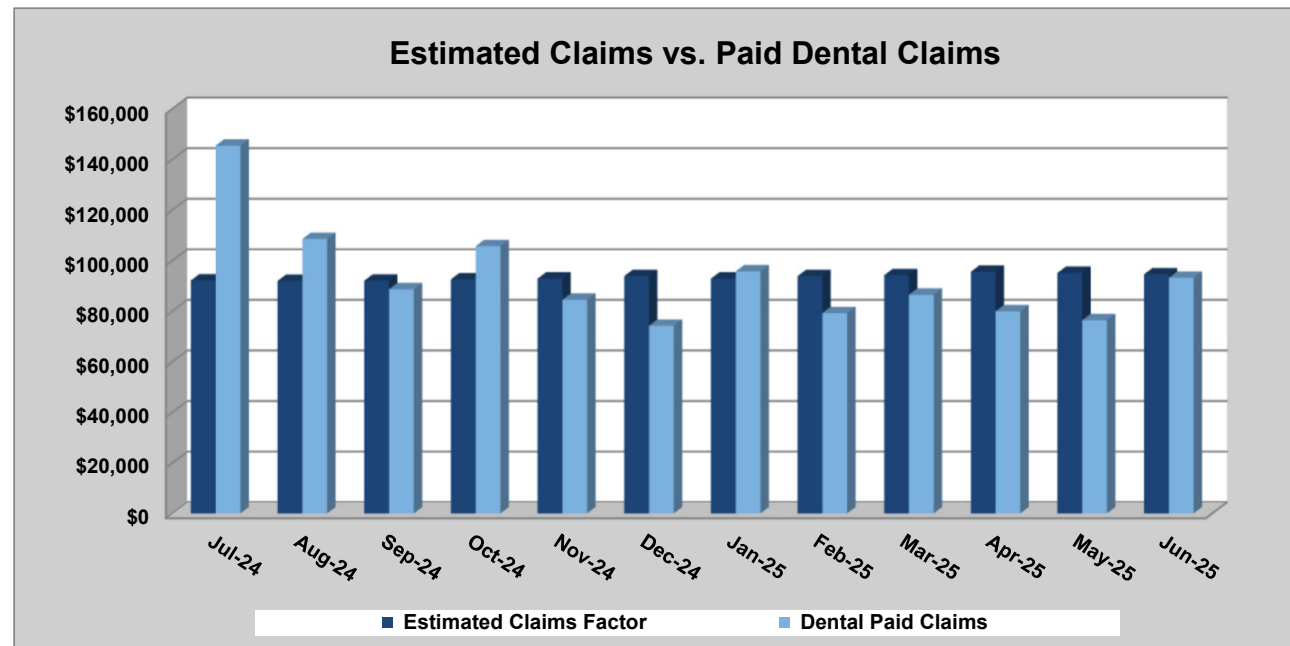
Admin Fees		Employee
Administration		\$3.73
Claim Expenses		
Estimated Claim Factor		\$94.12
Premium Equivalent Rates		
EE	EE + 1	Family
\$41.68	\$83.86	\$137.34



**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
<b>Total</b>	<b>12,429</b>	<b>\$1,121,469</b>	<b>\$44,116</b>	<b>\$1,117,755</b>	<b>\$1,161,871</b>	<b>99.7%</b>	<b>\$89.93</b>	<b>\$93.48</b>
Avg PEPM Enrollment	<b>1036</b>							

Admin Fees		Employee
Administration		\$3.55
Claim Expenses		
Estimated Claim Factor		\$90.23
Premium Equivalent Rates		
EE	EE + 1	Family
\$39.40	\$79.28	\$129.86



# City of Surprise

## Delta Dental Dental Claims

### Plan Year: July 2025 to June 2026 (as of December 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
Dental Claims*	\$1,117,755	\$89.93	\$1,196,059	\$93.69
Admin Fees	\$44,116	\$3.55	\$47,610	\$3.73
<b>Total Costs</b>	<b>\$1,161,871</b>	<b>\$93.48</b>	<b>\$1,243,669</b>	<b>\$97.42</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
7.0%	\$78,304	4.2%	\$3.76
7.9%	\$3,494	5.1%	\$0.18
<b>7.0%</b>	<b>\$81,798</b>	<b>4.2%</b>	<b>\$3.94</b>

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	\$97.42	4.2%

	Annual
Enrollment	12,429

Annualized
12,766

% Enrollment Change	# Enrollment Change
2.7%	337

\*2025/2026 Dental claims includes a decrement

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

Cost Categories	2023/2024 Annual Costs	PEPM Costs	2024/2025 Annual Costs	PEPM Costs
Dental Claims*	\$1,018,451	\$86.55	\$1,117,755	\$89.93
Admin Fees	\$41,773	\$3.55	\$44,116	\$3.55
<b>Total Costs</b>	<b>\$1,060,224</b>	<b>\$90.10</b>	<b>\$1,161,871</b>	<b>\$93.48</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
9.8%	\$99,304	3.9%	\$3.38
5.6%	\$2,343	0.0%	(\$0.00)
<b>9.6%</b>	<b>\$101,647</b>	<b>3.8%</b>	<b>\$3.38</b>

	Annual
Enrollment	11,767

Annual
12,429

% Enrollment Change	# Enrollment Change
5.6%	662



# Vision Reports

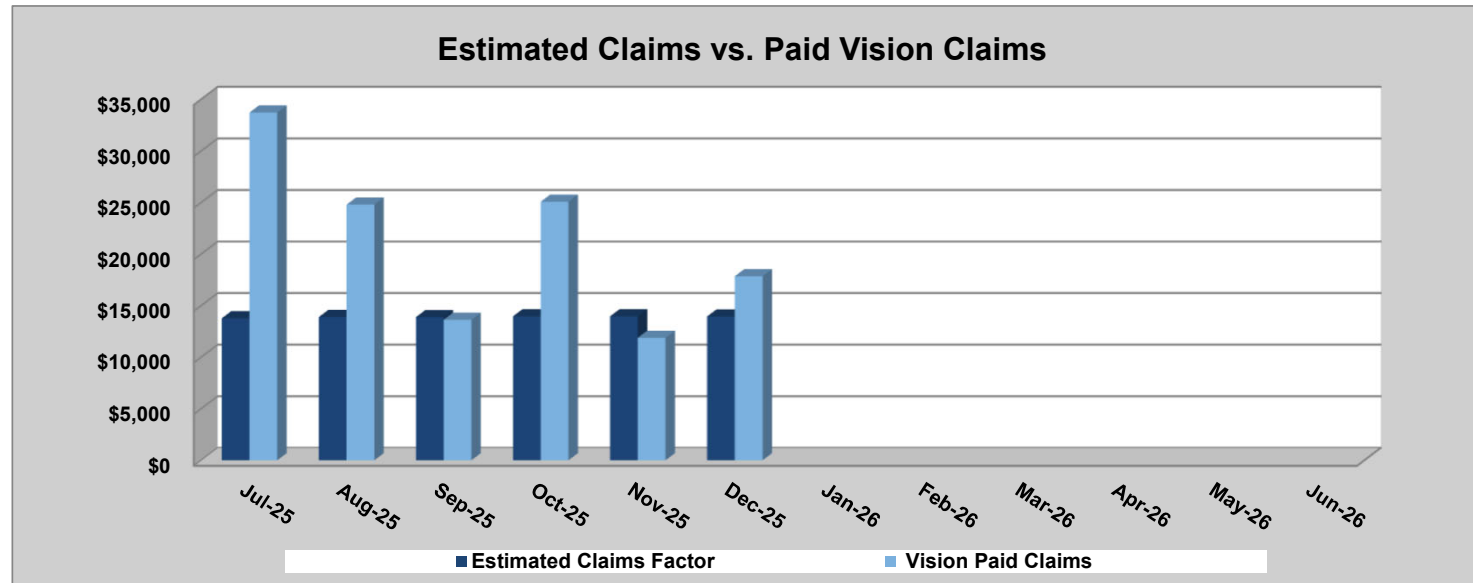
**City of Surprise**  
**Avesis Vision Self Funded Paid Claims**  
 Plan Year: July 2025 to June 2026 (as of December 2025)

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	1018	\$13,967	\$1,527	\$25,076	\$26,603	179.5%	\$24.63	\$26.13
Nov-25	1018	\$13,967	\$1,527	\$11,882	\$13,409	85.1%	\$11.67	\$13.17
Dec-25	1017	\$13,953	\$1,526	\$17,857	\$19,383	128.0%	\$17.56	\$19.06
Jan-26								
Feb-26								
Mar-26								
Apr-26								
May-26								
Jun-26								
<b>Total</b>	<b>6,082</b>	<b>\$83,445</b>	<b>\$9,123</b>	<b>\$126,967</b>	<b>\$136,090</b>	<b>152.2%</b>	<b>\$20.88</b>	<b>\$22.38</b>
Avg Enrollment	1014							

Admin Fees	Employee
Administration	\$1.50

Claim Expenses	
Estimated Claim Factor	\$13.72

Premium Equivalent Rates	
EE	Family
\$6.64	\$18.80



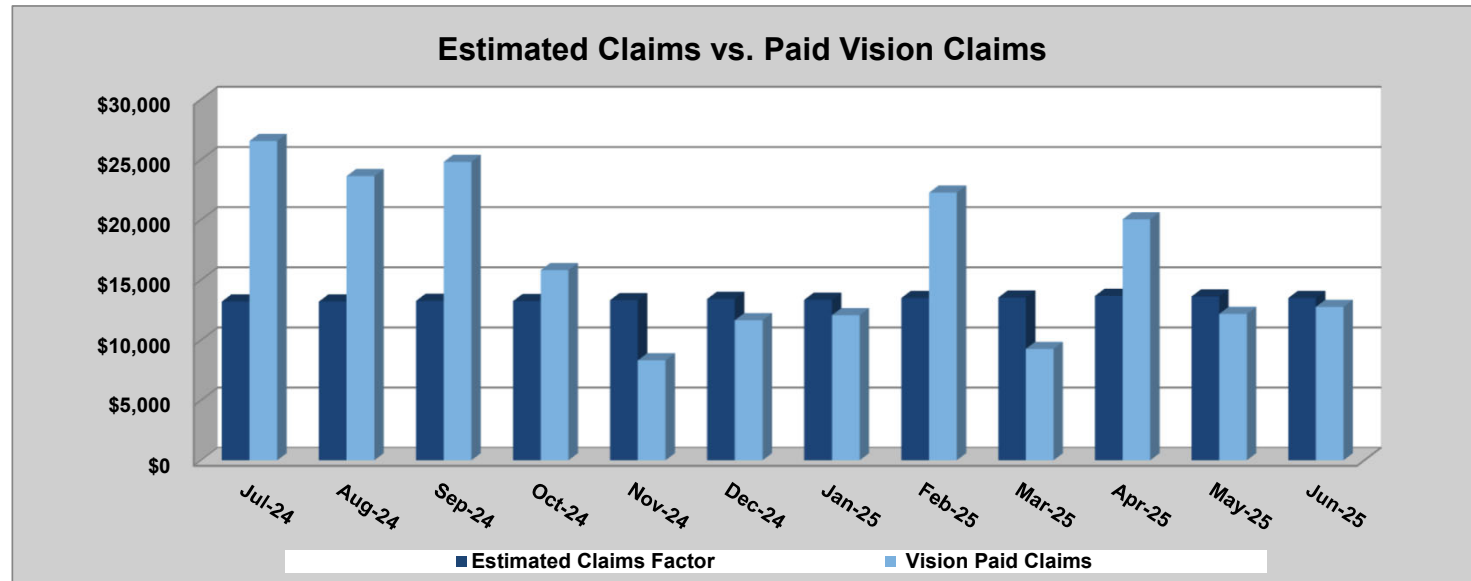
**City of Surprise**  
**Avesis Vision Self Funded Paid Claims**  
**Plan Year: July 2024 to June 2025**

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
<b>Total</b>	<b>11,915</b>	<b>\$160,733</b>	<b>\$17,873</b>	<b>\$199,241</b>	<b>\$217,114</b>	<b>124.0%</b>	<b>\$16.72</b>	<b>\$18.22</b>
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 December 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
Vision Claims*	\$199,241	\$16.72	\$203,147	\$16.70
Admin Fees	\$17,873	\$1.50	\$18,246	\$1.50
<b>Total Costs</b>	<b>\$217,114</b>	<b>\$18.22</b>	<b>\$221,393</b>	<b>\$18.20</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
2.0%	\$3,906	-0.1%	(\$0.02)
2.1%	\$374	0.0%	\$0.00
<b>2.0%</b>	<b>\$4,279</b>	<b>-0.1%</b>	<b>(\$0.02)</b>

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	\$18.20	-0.1%

	Annual
Enrollment	11,915

Annualized
12,164

% Enrollment Change	# Enrollment Change
2.1%	249

\*2025/2026 Vision claims may include load/decrement

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

Cost Categories	2023/2024 Annual Costs	PEPM Costs	2024/2025 Annual Costs	PEPM Costs
Vision Claims*	\$113,063	\$9.99	\$199,241	\$16.72
Admin Fees	\$10,751	\$0.95	\$17,873	\$1.50
<b>Total Costs</b>	<b>\$123,814</b>	<b>\$10.94</b>	<b>\$217,114</b>	<b>\$18.22</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
76.2%	\$86,178	67.4%	\$6.73
66.2%	\$7,121	57.9%	\$0.55
<b>75.4%</b>	<b>\$93,300</b>	<b>66.6%</b>	<b>\$7.28</b>

	Annual
Enrollment	11,317

Annual
11,915

% Enrollment Change	# Enrollment Change
5.3%	598



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

Council Meeting Date: March 4, 2026  
Submitting Department: Finance  
Staff Recommendations: None

Contact Person: Sandy Simmons, Finance Director  
District: Citywide

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

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**Agenda Wording:**

Presentation and discussion pertaining to the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund Financial Report for FY2026 2nd Quarter

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**Motion:**

None; presentation and discussion only.

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**Background:**

Staff will be presenting the city's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund financial report for FY2026 2nd Quarter. This report contains unaudited financial activity through December 31, 2025 for the Employee Healthcare Self Insurance Fund and the Workers' Compensation Fund.

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**Objective Analysis:**

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**Policy Compliant:**

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**Financial Impact:**

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

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**Budget Impact:**

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

**FTE Impact:**

---

**ATTACHMENTS:**

1. 2nd Quarter Self Insurance Fund FY26
-

# City of Surprise, Arizona

Employee Healthcare Trust Fund and Workers' Compensation Fund

Reported as of 2/4/26

	Employee Healthcare Trust Fund	Workers' Compensation Trust Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 9,082,761	\$ 4,317,846
Other Receivables	-	-
Prepaid services	3,860	-
Total current assets	<u>9,086,621</u>	<u>4,317,846</u>
Noncurrent assets:		
Net OPEB asset	<u>6,058</u>	<u>3,724</u>
Total noncurrent assets	<u>6,058</u>	<u>3,724</u>
Total assets	<u>9,092,679</u>	<u>4,321,570</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension related	34,464	20,740
Deferred outflows of resources - OPEB related	567	420
Total deferred outflows of resources	<u>35,031</u>	<u>21,160</u>
Total assets and deferred outflows of resources	<u>9,127,710</u>	<u>4,342,730</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	743,240	-
Claims payable	-	-
Accrued payroll and benefits	4,659	3,223
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	<u>2,879,887</u>	<u>714,894</u>
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	<u>174,936</u>	<u>103,835</u>
Total liabilities	<u>3,054,823</u>	<u>818,729</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
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	<u>12,668</u>	<u>7,703</u>
Total liabilities and deferred inflows of resources	<u>3,067,491</u>	<u>826,432</u>
<b>NET POSITION</b>		
Restricted for:		
Committed - Adverse Times Reserve	-	2,000,000
Committed - Adverse Claims Contingency Reserve	5,373,838	-
Unrestricted	686,381	1,516,298
Total net position	<u>\$ 6,060,219</u>	<u>\$ 3,516,298</u>

# City of Surprise, Arizona

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

### Employee Healthcare Trust Fund

Reported as of 2/4/26

	Second Quarter		Variance	
	Budget	FY 2026 Actual	favorable (unfavorable)	% Variance
<b>OPERATING REVENUES</b>				
Employee Contributions				
Medical	\$ 2,090,608	\$ 1,965,984	(124,624)	(6.0%)
Dental	232,575.00	208,036	(24,539)	(10.6%)
Vision	28,350.00	26,452	(1,898)	(6.7%)
City Contributions				
Medical	10,956,050	10,346,739	(609,311)	(5.6%)
Dental	547,808	498,997	(48,811)	(8.9%)
Vision	85,167	79,231	(5,936)	(7.0%)
Cobra contributions	107,917	165,283	57,366	53.2%
Subrogation recovery	-	3,904	3,904	-
Wellness reimbursement	81,667	68,344	(13,323)	(16.3%)
Pharmacy rebate	1,066,217	828,120	(238,097)	(22.3%)
Miscellaneous Revenue	-	-	-	-
Prior Year Recovery	-	28,607	28,607	-
Interest revenue	107,392	31,293	(76,099)	(70.9%)
Total operating revenues	<u>15,303,750</u>	<u>14,250,990</u>	<u>(1,052,760)</u>	<u>(6.9%)</u>
<b>OPERATING EXPENSES</b>				
Personnel (Wages/Benefits)	125,008	127,343	(2,335)	(1.9%)
Wellness				
Work/life balance	81,667	68,785	12,882	15.8%
Books & subscriptions	175	-	175	100.0%
Special event hosting	350	-	350	100.0%
Administration				
Medical	448,758	487,428	(38,670)	(8.6%)
Medical stop loss	786,975	886,058	(99,083)	(12.6%)
Dental	28,350	23,784	4,566	16.1%
Vision	11,025	12,519	(1,494)	(13.6%)
Claims				
Medical	9,150,517	8,513,629	636,888	7.0%
Pharmacy	3,676,633	3,796,899	(120,266)	(3.3%)
Dental	780,208	610,234	169,974	21.8%
Vision	113,458	125,084	(11,626)	(10.2%)
Professional outside services	81,083	92,443	(11,360)	(14.0%)
Travel & training	2,333	-	2,333	100.0%
Dues & membership	233	299	(66)	(28.3%)
Limited purpose flex spending	10,442	11,225	(783)	(7.5%)
Federal medical insurance fees	-	-	-	-
Total operating expenses	<u>15,297,216</u>	<u>14,755,730</u>	<u>541,486</u>	<u>3.5%</u>
Income (loss) before contributions and transfers	6,534	(504,740)	(1,594,246)	
Change in net position	<u>\$ 6,534</u>	<u>\$ (504,740)</u>	<u>\$ (1,594,246)</u>	

# City of Surprise, Arizona

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

Workers' Compensation Fund

Reported as of 2/4/26

	Second Quarter		Variance	
	Budget	FY 2026 Actual	favorable	% Variance
			(unfavorable)	
<b>OPERATING REVENUES</b>				
City Contributions				
Worker's comp	576,650	\$ 576,650	\$ -	0.0%
Subrogation recovery	-	-	-	-
Claim Expense Reimbursement	-	6,206	(6,206.00)	-
Recovery of PY	-	-	-	-
Interest revenue	107,350	95,767	11,583.00	10.8%
Total operating revenues	684,000	678,623	5,377	
<b>OPERATING EXPENSES</b>				
Personnel (Wages/Benefits)	77,337	89,865	\$ 12,528	16.2%
Administration				
Claim Settlement	1,089,831	402,737	(1,049,650)	(96.3%)
Municipal Firefighters Cancer	500,000	413,406	(413,406)	(82.7%)
Software license	-	-	-	-
Taxes, Charges, Service Fees	-	-	-	-
Other professional services	45,562	20,873	(32,685)	(71.7%)
Total operating expenses	1,712,730	926,881	(1,483,212)	
Income (loss) before contributions and transfers	(1,028,730)	(248,258)	1,028,730	
Transfers in		-	-	
Change in net position	(1,028,730)	\$ (248,258)	\$ 1,028,730	

## 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	5,652,065	18,721,968
2026	3,875,439.00	5,373,508			9,248,947

### 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)	(903,064)	2,276
2026	(629,339)	124,599			(504,740)

### 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	612,484	1,416,002
2026	359,899	325,814			685,713

\*Includes activity through February 4th

## Pharmacy Rebate by Fiscal Year

	<b>HMO</b>	<b>PPO</b>	<b>EPO</b>	<b>Total By Year</b>
	<b>90216211</b>	<b>90216214</b>	<b>90216215</b>	
2018	\$ 111,392	\$ 101,497	\$ -	\$ 212,889
2019	264,706	240,185	-	504,891
2020	363,076	161,800	72,213	597,089
2021	300,178	99,161	52,092	451,431
2022	295,845	110,840	82,668	489,353
2023	553,282	274,223	225,233	1,052,739
2024	704,294	480,724	371,454	1,556,472
2025	837,865	442,817	407,017	1,687,699
2026	369,235	258,387	200,498	828,120
<b>Total By Plan</b>	<b>\$ 3,799,874</b>	<b>\$ 2,169,633</b>	<b>\$ 1,411,175</b>	<b>\$ 7,380,682</b>

**FY2026 IBNR**  
**Medical, Dental and Vision Activity**

	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>
July	\$ 980,319	\$ 29,194	\$ 5,520	\$ 1,015,033
August	170,583	4,895	-	175,478
September	198,236	1,586	-	199,822
October	62,412	345	-	62,757
November	144,259	1,770	-	146,029
December	18,523	97	20	18,640
Total FY 2025 Claims Run out	<u>\$ 1,574,332</u>	<u>\$ 37,887</u>	<u>\$ 5,540</u>	<u>\$ 1,617,759</u>
IBNR Valuation as of June 30, 2025	\$ 2,062,500 (488,168)	\$ 47,300 (9,413)	\$ 10,500 (4,960)	
FY2025 IBNR		\$ 2,120,300		
Total Run Out Claims FY2026		<u>(1,617,759)</u>		
		\$ 502,541		



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

Council Meeting Date: March 4, 2026  
Submitting Department: Finance  
Staff Recommendations:

Contact Person: Sandy Simmons, Finance Director  
District: Citywide

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

---

**Agenda Wording:**

Consideration and action pertaining to the approval of the recommended FY2027 Health Benefit Trust Fund Budget

---

**Motion:**

I move to recommend approval of the FY2027 Health Benefit Trust Fund Budget for both sources and uses.

---

**Background:**

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

Staff has conducted a thorough review of plan design and anticipated plan expenses for FY2027 (beginning July 1, 2026). We will present the planned contribution strategy. We will also demonstrate the effect of the contribution changes on the financial position of the trust fund.

---

**Objective Analysis:**

To set a budget that will adequately fund the Health Benefits Trust Fund.

---

**Policy Compliant:**

This item is compliant with the Comprehensive Financial Management Policies.

---

**Financial Impact:**

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

---

**Budget Impact:**

Approving this item will set a budget for the Health Benefits Trust Fund. The sources total \$31.3 Million. This includes Employer Contributions for Medical of \$22.5 Million, Dental \$1.1 Million, and Vision of \$0.2 Million. Employee Contributions for Medical of \$4.1 Million, Dental \$0.4 Million, and

Vision \$0.1 Million. Rebates and COBRA Sources total \$2.5 Million, and Wellness reimbursements and Interest totaling \$0.4 Million.

The uses total \$30.8 Million. This includes estimated expenses for Medical in the amount of \$28.5 Million, Dental of \$1.5 Million, and Vision \$0.3 Million. There are also personnel, supplies, and service uses totaling \$0.5 Million.

**FTE Impact:**

This item does not have an FTE impact.

---

**ATTACHMENTS:**

1. FY27 Budget\_Health Benefits Budget Overview\_JK
-

# WELCOME

## Health Benefits Trust Fund

March 4, 2026



**SURPRISE**

ARIZONA

# Self Insured Program

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

# Health Benefits Trust

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

# Medical & Pharmacy Historical Trend



\*COS Medical/Rx Trend comes from completed plan year annual cost comparison analysis

\*\*National Medical/Rx Trend comes from CBIZ funding projection (weighted)

# FY2027 Budget Assumptions

- CBIZ Recommended Increases
  - Medical 14.91%
  - Dental 3.37%
  - Vision 24.33%
- Plan Design Changes
  - Increase stop loss deductible from \$250K to \$325K
    - Savings of \$330K in premium
- Transfer only what is needed to pay claims incurred
  - 100% of employee contributions, then employer funds the difference
  - Maintain fund balance and meet required reserve

# Financial Position of the Trust

	FY2024 Actuals	FY2025 Actuals	FY2026 Budget	FY2026 Estimate	FY2027 Budget
Beginning Balance	\$6.5M	\$6.5M	\$6.5M	\$6.5M	\$6.5M
Total Sources	19.9M	22.5M	26.2M	26.8M	31.3M
Total Uses	(19.9M)	(22.5M)	(26.9M)	(26.8M)	(30.8M)
<b>Ending Balance</b>	<b>\$6.5M</b>	<b>\$6.5M</b>	<b>\$5.8M</b>	<b>\$6.5M</b>	<b>\$7.0M</b>
<b>Required Reserve</b>	\$3.5M	\$4.9M	\$5.8M	\$5.8M	\$7.0M
<b>Unrestricted</b>	\$3.0M	\$1.6M	\$0.0M	\$0.7M	\$0.0M

# Questions or Comments?

THANK YOU



**SURPRISE**

ARIZONA



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

Council Meeting Date: March 4, 2026  
Submitting Department: Finance  
Staff Recommendations:

Contact Person:  
District: Citywide

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

---

**Agenda Wording:**

Consideration and action pertaining to the approval of the FY2027 Workers' Compensation Plan Budget

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**Motion:**

I move to recommend approval of the FY2027 Workers' Compensation Plan Funding.

---

**Background:**

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

---

**Objective Analysis:**

To set a budget that will adequately fund the Workers' Compensation Fund.

---

**Policy Compliant:**

This item is compliant with the Comprehensive Financial Management Policies.

---

**Financial Impact:**

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

---

**Budget Impact:**

Approving this item will set the FY2027 budget for the Workers' Compensation Fund. The sources total \$1.4 million, including interest and allocations from certain funds with payroll expenses. The uses total \$1.4 million, including funding for claims, professional services, general insurance administration, and personnel. A required reserve of \$2 million has also been budgeted.

**FTE Impact:**

This item has no FTE impact.

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**ATTACHMENTS:**

1. FY2027 WC Presentation\_Budget Slides\_FINAL
-

# FY 2027 Worker's Compensation Update

Health Benefits Trust Fund Board  
March 4, 2026

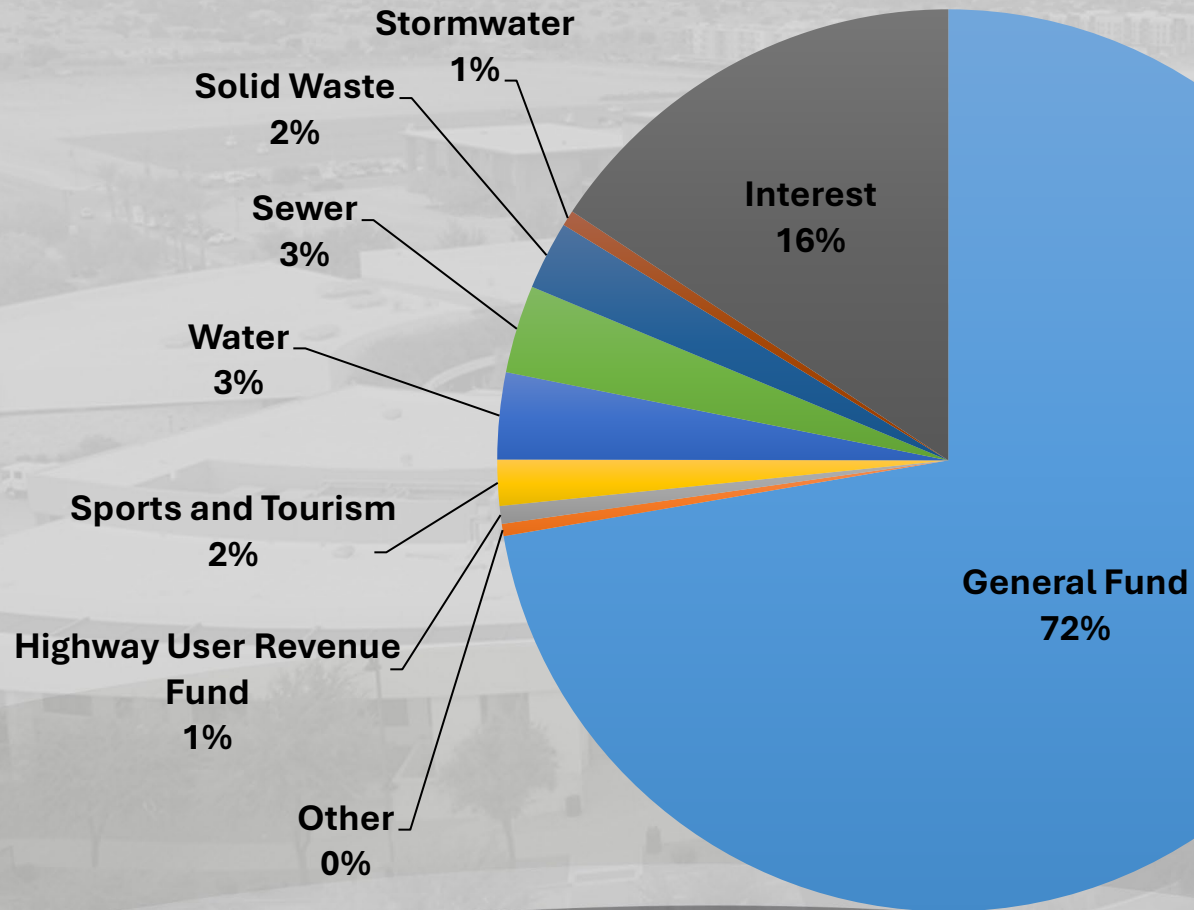


**SURPRISE**

ARIZONA

# Financial Position of the WC Trust

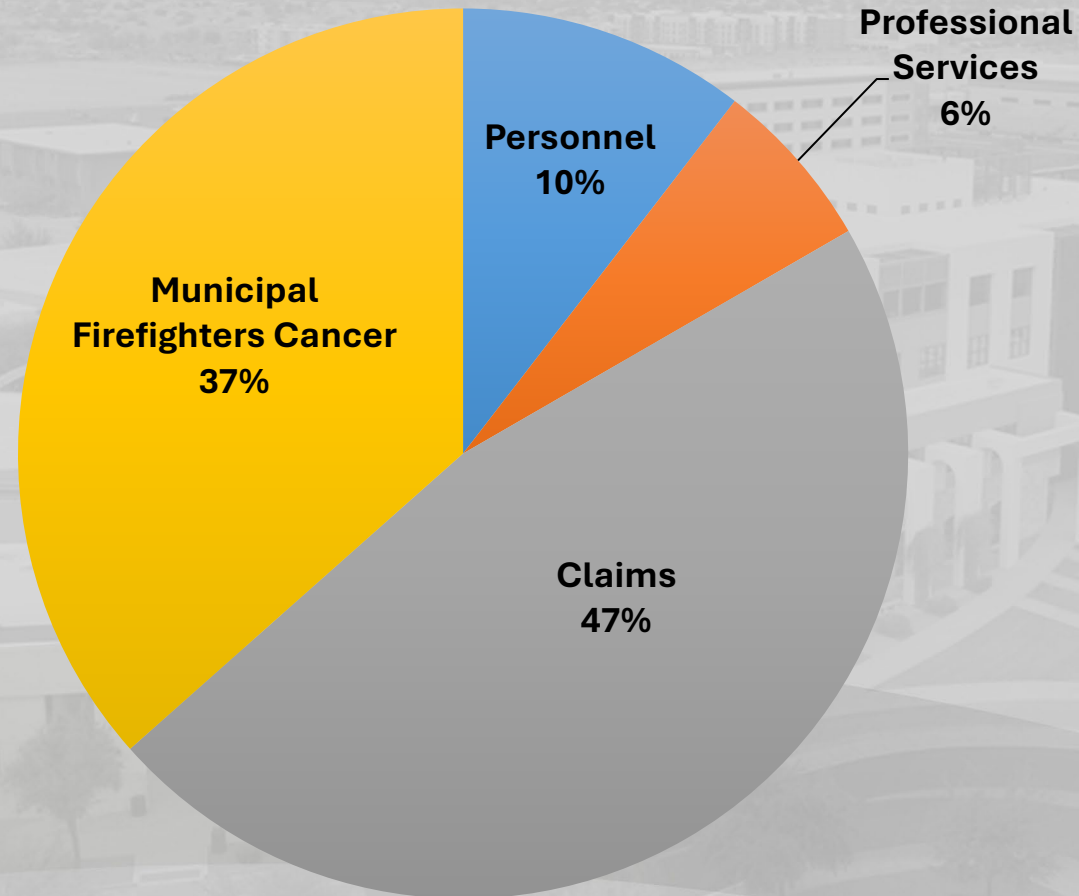
## Ongoing Sources



**FY26 Budget of  
\$1,368,000**

# Financial Position of the WC Trust

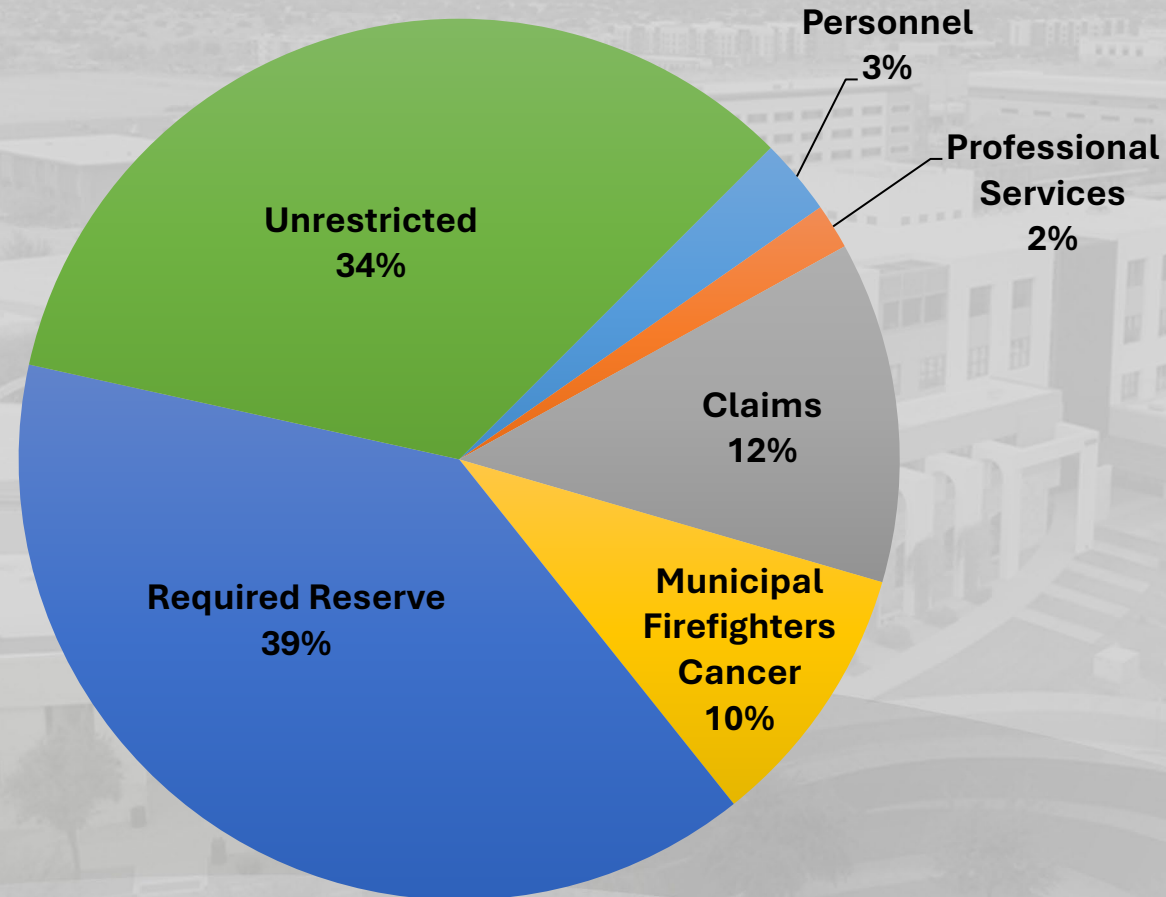
## Ongoing Uses



**FY26 Budget of  
\$1,368,000**

# Financial Position of the WC Trust

## Ongoing Uses (with Reserve)



**FY26 Budget of  
\$5,106,600**

# FY2027 Worker's Compensation Budget Detail

Line Description	FY2027 Budget
Personnel*	161,000
Professional Services	85,000
Claims/Deductibles	600,000
Bloodborne Exposure Claim Settlement	40,000
Municipal Firefighter's Cancer Reimbursement	525,000
<b>Total</b>	<b>1,411,000</b>
<b>Fully Insured Premium</b>	<b>1,983,000</b>

\*subject to change based on final increases determined by City management

# FY2027 Recommendation

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It is recommended to assess worker's compensation premiums in the amount of \$3,394,000 for Fiscal Year 2027.

# Questions or Comments?

THANK YOU



**SURPRISE**

ARIZONA



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

Council Meeting Date: March 4, 2026  
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 for the Health Benefits Trust Fund Board

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**Motion:**

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

---

**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. This item was deferred at the December 3, 2025 meeting. The elected 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.

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**Policy Compliant:**

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**Financial Impact:**

No financial impact.

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**Budget Impact:**

No budget impact.

**FTE Impact:**

No FTE impact.

---

**ATTACHMENTS:**

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

Council Meeting Date: March 4, 2026  
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 Vice-Chairperson for the Health Benefits Trust Fund Board

---

**Motion:**

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

---

**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. This item was deferred at the December 3, 2025 meeting. The elected Vice-Chairperson will serve the remainder of the fiscal year, through June 30, 2026.

---

**Objective Analysis:**

In the event of 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:**

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**Financial Impact:**

No financial impact.

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**Budget Impact:**

No budget impact.

**FTE Impact:**

No FTE impact.

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**ATTACHMENTS:**

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