



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

Wednesday, June 3, 2026 @ 4:00 PM  
 CH 3F-N3-260 Atrium Conference 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 the approval of the March 4, 2026 Health Benefits Trust Fund Board meeting minutes. | Sandy Simmons<br>Finance |
|----|----------|--|--------------------------|

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- |    |          |   |                           |
|----|----------|---|---------------------------|
| 2. | Citywide | Presentation and discussion pertaining to an overview of the City's health benefits plan.   | Paige Gearhart<br>Finance |
| 3. | Citywide | Presentation and discussion pertaining to CBIZ Consulting FY2026 3rd Quarter Report.  | Sandy Simmons<br>Finance  |
| 4. | Citywide | Presentation and discussion pertaining to the City's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund Financial Reports for FY2026 3rd Quarter. | Sandy Simmons<br>Finance  |

- G. Call To The Public

INSTRUCTIONS:

In order to address the City Council, you will need to fill out a Public Comment Form available at the entrance, and turn it in to the City Clerk before the meeting begins.

You may also fill out the [Public Comment Form](#) online. If submitting the online form the City Clerk must receive the request at least one hour before the meeting start time.

In accordance with A.R.S. 38-431.01(I) - During this time, members of the public may address City Council only on issues within the jurisdiction of the City Council. 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.

Councilmembers may not discuss or respond to matters raised during the call to the public that are not specifically identified on the agenda.

Each speaker shall be limited to three (3) minutes per item. If several speakers desire to speak regarding a single topic, the Chair may limit the number of speakers or the time given to each group. A maximum time of 30 minutes will be given per topic. However, an equal amount of time will be given to each side of an issue. **Council Chamber doors will be open at least 30 minutes prior to the start of the meeting.**

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

POSTED: Monday, June 1st, 2026 @ 10:00 AM

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



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

Council Meeting Date: June 3, 2026  
Submitting Department: Finance  
Staff Recommendations:

Contact Person: Sandy Simmons, Finance Director  
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 the approval of the March 4, 2026 Health Benefits Trust Fund Board meeting minutes.

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**Motion:**

I move to approve the March 4, 2026 Health Benefits Trust Fund Board meeting minutes.

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**Background:**

Attached are the minutes from the March 4, 2026 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 03.04.26
-

**CITY OF SURPRISE**

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

**March 4, 2026**

**MEETING MINUTES**

**CALL TO ORDER**

Vice-Chair Candice Rachal called the Health Benefits Trust Fund Meeting to order at 3:02 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, March 4, 2026.

**ROLL CALL**

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

**STAFF PRESENT:**

Digger Oster, Risk Manager - Senior; Ariana Reyna, Human Resources Business Partner; Paige Gearhart, Human Resources Manager; Linda Beyersdorf, Budget Manager; Jenna Klidas, Financial Management Analyst – Senior; Julie Ralls, Accountant – Senior; Rebecca Chitwood, Accounting Manager; Mari Lugo, Acting Finance Assistant Director

**PLEDGE OF ALLEGIANCE**

**CURRENT EVENTS REPORT**

None

**STAFF REPORT**

None

**CONSENT AGENDA**

**Item 1: Consideration and action pertaining to approval of the December 3, 2025 Health Benefits Trust Fund Board meeting minutes.**

- Vice Chair Candice Rachal made a motion to approve the minutes for the December 3, 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 2<sup>nd</sup> Quarter Report.**

- Melissa Barbakoff presented CBIZ Consulting's FY2026 2<sup>nd</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 Report for FY2026 2<sup>nd</sup> Quarter.**

- Rebecca Chitwood presented the FY2026 2<sup>nd</sup> Quarter Financial Reports.

**Item 4: Consideration and action pertaining to the approval of the recommended FY2027 Health Benefit Trust Fund Budget.**

- Jenna Klidas presented the proposed FY2027 budget.
- Board Member Sandy Simmons made a motion to approve the FY2027 budget. Board Member Barb Minick seconded the motion. Motion passed.

**Item 5: Consideration and action pertaining to the approval of the FY2027 Workers' Compensation Plan Budget.**

- Digger Oster presented the proposed FY2027 budget.
- Board Member Sandy Simmons made a motion to approve the FY2027 budget. Board Member Barb Minick seconded the motion. Motion passed.

**Item 6: Consideration and action to elect a Chairperson for the Health Benefits Trust Fund Board.**

- Vice-Chair Candice Rachal made a motion to elect William Coniam as Chair. Board Member Barb Minick seconded the motion. Motion passed.

**Item 7: Consideration and action to elect a Vice-Chairperson for the Health Benefits Trust Fund Board.**

- Board Member Barb Minick made a motion to elect Candice Rachal as Vice-Chair. Board Member Sandy Simmons seconded the motion. Motion passed.

**CALL TO THE PUBLIC**

None

**OTHER BUSINESS**

- Board Member Barb Minick requested an in-service presentation at the next meeting. Components will include aspects of marketing, budgeting, and overview/definitions of the CBIZ quarterly claims report.

**ADJOURNMENT**

Hearing no further business, Vice-Chair Candice Rachal adjourned the Health Benefits Trust Fund meeting at 3:55 p.m.

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William Coniam, Chair  
Health Benefits Trust Fund Board



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

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Council Meeting Date: June 3, 2026  
Submitting Department: Finance  
Staff Recommendations: None

Contact Person: Paige Gearhart  
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 an overview of the City's health benefits plan.

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**Motion:**

Presentation and discussion only.

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**Background:**

At the request of Board Member Barb Minick, this item has been placed on the agenda to provide a brief overview of the City's healthcare plan and its accounting and budgeting processes.

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**Objective Analysis:**

The objective of this item is to provide the Board with high-level information regarding the current employer paid benefits offered to employees and the subsequent accounting and budgeting processes associated with offering such benefits.

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**Policy Compliant:**

This item is within policy.

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**Financial Impact:**

None at this time.

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**Budget Impact:**

None at this time.

**FTE Impact:**

None at this time.

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**ATTACHMENTS:**

1. Health Benefits Presentation\_042826
-

# WELCOME

## HEALTH BENEFITS OVERVIEW



**SURPRISE**  
ARIZONA

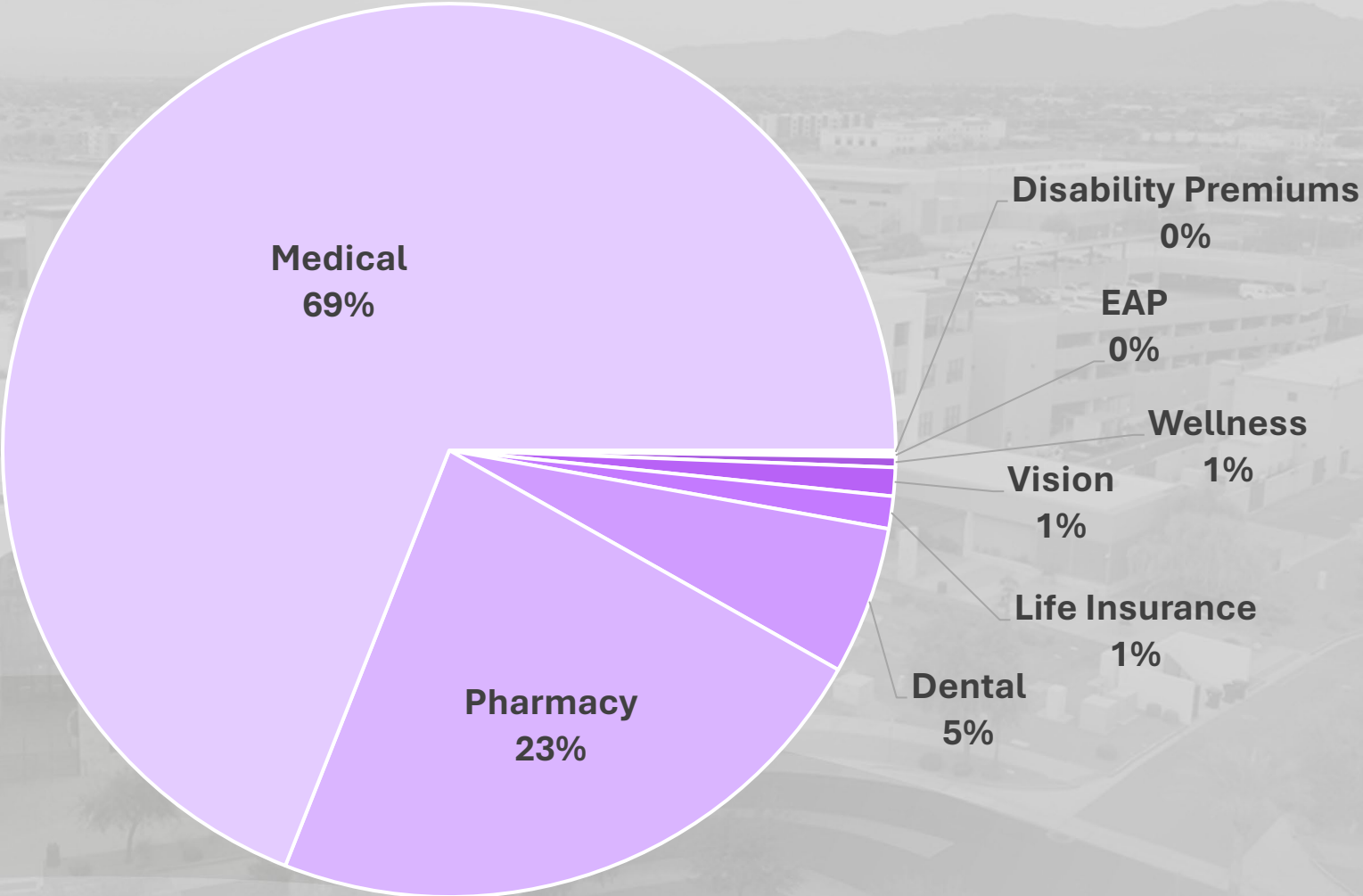
# Eligibility

- Full-time regular employees and qualified dependents
- Part-time employees who meet eligibility under the Affordable Care Act
  - Average of 30 hours or more per week
- Coverage begins first of the month after date of hire
- As of 5/1/26
  - 1,184 eligible employees
  - 2,787 total covered members

# Employer Self-Insured Coverages

- Medical
  - BCBS
    - HMO
    - PPO
    - EPO
- Dental
  - Delta Dental
- Vision
  - Avesis
- Group Life
- Pharmacy
- Short-term Disability
- Mental Health

# FY25 Employer Paid Benefits



# Accounting

- Employee & Employer contributions
  - For FY26, average split:
    - Employee Only Medical Plan is 8% employee, 92% employer
    - Employee +1 Medical Plan is 15% employee, 85% employer
    - Employee + Family Medical Plan is 18% employee, 82% employer
- Employee contributions are withheld via payroll deductions
- Employer contributions are expensed to maintain the fund balance

# Budgeting

- Utilize CBIZ for actuarial assumptions and forecasting
  - Annual increases implemented at CBIZ projected rates (usually)
- Fund is budgeted at the coverage type/plan level
  - Separate program for each plan to track revenue and expenses
  - Budget can be moved from plan to plan as needed
- Budget is set based on employee elections; vacant positions are budgeted with the highest cost plans
- Required reserve contingency
  - Reviewed annually and set in City's Comprehensive Financial Management Policy
  - 25% of expected claims
- Budget to actuals reviewed quarterly

# Questions or Comments?

THANK YOU



**SURPRISE**

ARIZONA



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

Council Meeting Date: June 3, 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

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**Agenda Wording:**

Presentation and discussion pertaining to CBIZ Consulting FY2026 3rd Quarter Report.

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**Motion:**

None; presentation and discussion only.

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**Background:**

CBIZ Consulting will present the 3rd 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, topics 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 03 26- Final with Rx
-



# City of Surprise

Medical, Pharmacy, Dental, and Vision Experience

Plan Year: July 2025 – June 2026

Month End: March 2026

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

# City of Surprise Executive Summary as of March 2026

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## Medical & Pharmacy

The following report details claims paid through the third quarter of the plan year beginning July 2025. The plan covered an average of 1,045 subscribers, with total paid claims and fixed costs of \$15.38M, compared to expected claims liability of \$14.6M.

Expected claims through the third quarter have come in at 94.6% of expected and 77.1% for maximum claim liability, which is a good result. The claims in the third quarter experience reflect an elevation in costs in January and February. Medical and pharmacy claims both experienced short 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 claims when averaged remained about the same in each quarter. In the first quarter of the plan year the average monthly pharmacy claims are \$540,428, this is before rebates are applied, in the second quarter the average paid claims were \$545,001 and in the third quarter claims averaged \$530,222. Pharmacy costs continue to trend higher than medical, consistent with broader market patterns. \$1.18 million in rebates have been applied reducing the overall pharmacy claims spend.

### Claims Spend & Loss Ratio by Plan Design

- HMO -47% of total claims, 129.5% loss ratio
- PPO – 37% of total claims, 101.9% loss ratio
- EPO – 16% of total claims, 60.7% loss ratio

## Large Claims

There are 19 large claimants over the \$100,000 threshold through the third quarter. Ten of the nineteen claimants are known large claimants from prior years. Five members have met the stop loss deductible, and \$588,460 has been reimbursed to the plan. Large claims now represent 25.5% of overall spend.

## Prior Plan Year – 9 Months of Runout

The prior paid claims and administration section of the report shows the gross run out claims through March were \$2,149,551, after rebates and stop loss recoveries that amount drops to \$1,061,472. The prior plan year with claims through the third quarter performed at 90.3% 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 13.8% higher than PY25.

- **Medical Claims:** 0.7% **lower** in comparison to PY25.
- **Pharmacy Claims:** 29.3% **higher** than the PY25 plan year. (Gross) Prior to rebates.

Both medical and pharmacy claims were adjusted for the increase in enrollment of 3.67%.

## Dental

Dental claims are performing just below expected. The current loss ratio through March is 99.4%. Through March the dental paid claims per employee, per month (PEPM) are \$93.59. On the Annual Cost Comparison slide, the FY2025 Total Cost for dental is projected to be 4.1% higher than the prior year.

## Vision

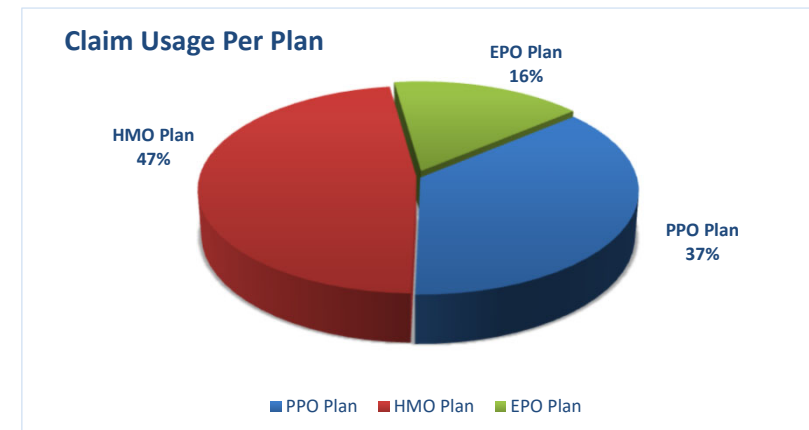
Vision claims for the third quarter are well above expected. The current loss ratio is 141.4%. Through March the vision paid claims per employee, per month (PEPM) is \$19.40. On the Annual Cost Comparison slide, the FY2026 Total Cost for vision is projected to be 4.1% in comparison to the prior year. The plan for 10 years fluctuated between \$9-11 PEPM, now the plan is running at \$18.96 PEPM.

**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2025 to June 2026 (as of March 2026)**  
**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	\$ 513,286	\$ 15,133	\$ -	\$ 7,116	\$ 8,292	\$ -	\$ -	\$ 1,705,341	\$ 172,878	\$ 1,878,219	105.4%	85.9%	\$ 1,132.74	\$ 508.58	\$ 1,641.33	\$ 1,641.33	\$ 1,807.72
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	1,043	\$ 1,614,579	\$ 1,982,775	\$ 1,053,626	\$ 455,568	\$ 11,226	\$ -	\$ 3,441	\$ 8,304	\$ -	\$ (24,031)	\$ 1,508,134	\$ 173,546	\$ 1,681,680	93.4%	76.1%	\$ 1,021.45	\$ 447.55	\$ 1,469.00	\$ 1,445.96	\$ 1,612.35
Dec-25	1,048	\$ 1,624,760	\$ 1,994,484	\$ 1,592,358	\$ 560,375	\$ 10,055	\$ (634,681)	\$ 5,664	\$ 8,333	\$ -	\$ (255,674)	\$ 1,286,431	\$ 174,377	\$ 1,460,807	79.2%	64.5%	\$ 1,532.78	\$ 544.30	\$ 1,471.47	\$ 1,227.51	\$ 1,393.90
Jan-26	1,046	\$ 1,626,805	\$ 1,996,094	\$ 1,266,520	\$ 542,418	\$ 10,343	\$ -	\$ 11,839	\$ 8,389	\$ 1,053	\$ (798)	\$ 1,839,763	\$ 174,044	\$ 2,013,807	113.1%	92.2%	\$ 1,231.17	\$ 528.45	\$ 1,759.62	\$ 1,758.86	\$ 1,925.25
Feb-26	1,055	\$ 1,635,343	\$ 2,007,005	\$ 1,646,184	\$ 441,669	\$ 11,646	\$ -	\$ 11,084	\$ 8,213	\$ 1,048	\$ (140,225)	\$ 1,979,619	\$ 175,544	\$ 2,155,163	121.1%	98.6%	\$ 1,579.65	\$ 429.68	\$ 2,009.33	\$ 1,876.42	\$ 2,042.81
Mar-26	1,068	\$ 1,643,853	\$ 2,018,355	\$ 1,347,782	\$ 606,579	\$ 18,061	\$ (547,030)	\$ 5,273	\$ 8,600	\$ 531	\$ (141,291)	\$ 1,298,504	\$ 177,707	\$ 1,476,212	79.0%	64.3%	\$ 1,275.45	\$ 584.87	\$ 1,348.12	\$ 1,215.83	\$ 1,382.22
Apr-26																					
May-26																					
Jun-26																					
<b>Total</b>	<b>9,409</b>	<b>\$ 14,599,445</b>	<b>\$ 17,921,019</b>	<b>\$ 10,501,437</b>	<b>\$ 4,846,956</b>	<b>\$ 101,741</b>	<b>\$ (1,181,711)</b>	<b>\$ 54,244</b>	<b>\$ 75,008</b>	<b>\$ 4,769</b>	<b>\$ (588,460)</b>	<b>\$ 13,813,985</b>	<b>\$ 1,565,565</b>	<b>\$ 15,379,550</b>	<b>94.6%</b>	<b>77.1%</b>	<b>\$ 1,130.35</b>	<b>\$ 515.14</b>	<b>\$ 1,530.71</b>	<b>\$ 1,468.17</b>	<b>\$ 1,634.56</b>
<b>Avg</b>	<b>1,045</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
<b>Expected Liability</b>	<b>\$670.04</b>	<b>\$1,508.04</b>	<b>\$2,178.44</b>	<b>\$699.27</b>	<b>\$1,566.15</b>	<b>\$2,259.65</b>	<b>\$616.89</b>	<b>\$1,400.99</b>	<b>\$2,028.23</b>
<b>Maximum Liability (ICAP)</b>	<b>\$966.49</b>	<b>\$1,922.89</b>	<b>\$2,688.01</b>	<b>\$974.74</b>	<b>\$1,939.52</b>	<b>\$2,711.36</b>	<b>\$820.71</b>	<b>\$1,633.03</b>	<b>\$2,282.92</b>



**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2025 to June 2026 (as of March 2026)**  
**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	381	\$ 589,144	\$ 749,262	\$ 444,321	\$ 157,198	\$ (24,031)	\$ 577,488	\$ 63,528	\$ 641,016	98.0%	77.1%	\$1,166.20	\$412.59	\$1,578.79	\$1,682.46
Dec-25	381	\$ 588,474	\$ 748,497	\$ 441,675	\$ 217,330	\$ (24,786)	\$ 634,219	\$ 63,528	\$ 697,747	107.8%	84.7%	\$1,159.25	\$570.42	\$1,729.67	\$1,831.36
Jan-26	381	\$ 590,820	\$ 751,175	\$ 514,857	\$ 217,045	\$ (740)	\$ 731,162	\$ 63,528	\$ 794,690	123.8%	97.3%	\$1,351.33	\$569.67	\$1,921.00	\$2,085.80
Feb-26	389	\$ 594,672	\$ 757,186	\$ 622,079	\$ 171,855	\$ (85)	\$ 793,849	\$ 64,862	\$ 858,710	133.5%	104.8%	\$1,599.17	\$441.79	\$2,040.96	\$2,207.48
Mar-26	393	\$ 596,682	\$ 760,286	\$ 462,347	\$ 208,788	\$ (22,491)	\$ 648,644	\$ 65,529	\$ 714,173	108.7%	85.3%	\$1,176.46	\$531.27	\$1,707.72	\$1,817.23
Apr-26															
May-26															
Jun-26															
<b>Total</b>	<b>3,424</b>	<b>\$ 5,281,687</b>	<b>\$ 6,718,828</b>	<b>\$ 3,651,924</b>	<b>\$ 1,831,233</b>	<b>\$ (98,572)</b>	<b>\$ 5,384,585</b>	<b>\$ 570,918</b>	<b>\$ 5,955,502</b>	<b>101.9%</b>	<b>80.1%</b>	<b>\$1,066.57</b>	<b>\$534.82</b>	<b>\$1,601.39</b>	<b>\$1,739.34</b>
<b>Avg</b>	<b>380</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	87	173	381
December	121	88	172	381
January	119	89	173	381
February	128	89	172	389
March	132	90	171	393
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>1,091</b>	<b>793</b>	<b>1,540</b>	<b>3,424</b>

**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2025 to June 2026 (as of March 2026)**  
**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	340	\$ 596,119	\$ 730,255	\$ 419,225	\$ 207,164	\$ -	\$ 626,389	\$ 56,505	\$ 682,894	105.1%	85.8%	\$1,233.01	\$609.31	\$1,842.32	\$2,008.51
Dec-25	342	\$ 599,945	\$ 734,906	\$ 966,464	\$ 237,240	\$ (230,888)	\$ 972,815	\$ 56,837	\$ 1,029,652	162.2%	132.4%	\$2,825.92	\$693.68	\$3,519.60	\$3,010.68
Jan-26	339	\$ 595,420	\$ 729,280	\$ 590,002	\$ 248,967	\$ (59)	\$ 838,909	\$ 56,338	\$ 895,248	140.9%	115.0%	\$1,740.42	\$734.42	\$2,474.83	\$2,640.85
Feb-26	338	\$ 593,854	\$ 727,340	\$ 850,108	\$ 144,713	\$ (140,140)	\$ 854,682	\$ 56,172	\$ 910,854	143.9%	117.5%	\$2,515.11	\$428.15	\$2,943.26	\$2,694.83
Mar-26	338	\$ 592,293	\$ 725,604	\$ 709,361	\$ 275,172	\$ (118,801)	\$ 865,732	\$ 56,172	\$ 921,905	146.2%	119.3%	\$2,098.70	\$814.12	\$2,912.82	\$2,727.53
Apr-26															
May-26															
Jun-26															
<b>Total</b>	<b>3,081</b>	<b>\$ 5,408,191</b>	<b>\$ 6,624,407</b>	<b>\$ 5,406,004</b>	<b>\$ 2,084,873</b>	<b>\$ (489,888)</b>	<b>\$ 7,000,989</b>	<b>\$ 512,031</b>	<b>\$ 7,513,021</b>	<b>129.5%</b>	<b>105.7%</b>	<b>\$1,754.63</b>	<b>\$676.69</b>	<b>\$2,431.31</b>	<b>\$2,438.50</b>
<b>Avg</b>	<b>342</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	77	75	188	340
December	77	76	189	342
January	76	75	188	339
February	76	74	188	338
March	77	74	187	338
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>694</b>	<b>679</b>	<b>1,708</b>	<b>3,081</b>

**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2025 to June 2026 (as of March 2026)**  
**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	\$ 99,237	\$ -	\$ 278,083	\$ 53,015	\$ 331,097	64.5%	55.1%	\$560.64	\$311.09	\$871.73	\$1,037.92
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	322	\$ 429,315	\$ 503,258	\$ 190,080	\$ 91,206	\$ -	\$ 281,286	\$ 53,513	\$ 334,799	65.5%	55.9%	\$590.31	\$283.25	\$873.56	\$1,039.75
Dec-25	325	\$ 436,341	\$ 511,081	\$ 184,220	\$ 105,805	\$ -	\$ 290,025	\$ 54,012	\$ 344,036	66.5%	56.7%	\$566.83	\$325.55	\$892.38	\$1,058.57
Jan-26	326	\$ 440,565	\$ 515,639	\$ 161,661	\$ 76,406	\$ -	\$ 238,067	\$ 54,178	\$ 292,245	54.0%	46.2%	\$495.89	\$234.38	\$730.27	\$896.46
Feb-26	328	\$ 446,817	\$ 522,479	\$ 173,996	\$ 125,101	\$ -	\$ 299,098	\$ 54,510	\$ 353,608	66.9%	57.2%	\$530.48	\$381.41	\$911.88	\$1,078.07
Mar-26	337	\$ 454,878	\$ 532,465	\$ 176,074	\$ 122,620	\$ -	\$ 298,693	\$ 56,006	\$ 354,699	65.7%	56.1%	\$522.47	\$363.86	\$886.33	\$1,052.52
Apr-26															
May-26															
Jun-26															
<b>Total</b>	<b>2,904</b>	<b>\$ 3,909,567</b>	<b>\$ 4,577,785</b>	<b>\$ 1,443,509</b>	<b>\$ 930,850</b>	<b>\$ -</b>	<b>\$ 2,374,359</b>	<b>\$ 482,616</b>	<b>\$ 2,856,975</b>	<b>60.7%</b>	<b>51.9%</b>	<b>\$497.08</b>	<b>\$320.54</b>	<b>\$817.62</b>	<b>\$983.81</b>
<b>Avg</b>	<b>323</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>

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	134	51	136	321
November	135	53	134	322
December	133	56	136	325
January	131	57	138	326
February	129	58	141	328
March	134	63	140	337
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
<b>Totals</b>	<b>1,189</b>	<b>482</b>	<b>1,233</b>	<b>2,904</b>

**City of Surprise**  
**Paid Claims and Administration**  
**Plan Year: July 2024 to June 2025 (as of March 2026)**  
**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	\$ 49,808	\$ -	\$ -	\$ 5	\$ -	\$ (49)	\$ 49,764
Feb-26	\$ 13,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,368
Mar-26	\$ 22,629	\$ -	\$ -	\$ (16)	\$ -	\$ -	\$ 22,612
Apr-26							
May-26							
Jun-26							
<b>Total</b>	<b>\$ 2,149,551</b>	<b>\$ -</b>	<b>\$ (598,605)</b>	<b>\$ 2,506</b>	<b>\$ 97</b>	<b>\$ (492,078)</b>	<b>\$ 1,061,472</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
\$ 18,064,439	\$ (1,461,562)	\$ 16,602,877	\$ 1,872,478	\$ 18,475,355	90.3%	77.7%	\$ 1,526.76

**City of Surprise**  
**Plan Year: July 2025 to June 2026 (as of March 2026)**  
**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*	\$14,682,756	\$1,213.35	\$15,122,070	\$1,205.39	2.99%	\$439,314	-0.7%	(\$7.96)	2014/2015	\$1,079.93	
Rx Claims Costs	\$4,819,475	\$398.27	\$6,462,607	\$515.14	34.09%	\$1,643,133	29.3%	\$116.87	2015/2016	\$1,160.82	7.5%
PaydHealth Program Fees	\$161,680	\$13.36	\$135,655	\$10.81	-16.10%	(\$26,025)	-19.1%	(\$2.55)	2016/2017	\$1,202.07	3.6%
Rx Rebates	(\$1,731,297)	(\$143.07)	(\$1,575,614)	(\$125.59)	-8.99%	\$155,683	-12.2%	\$17.48	2017/2018	\$1,151.77	-4.2%
Blue Card, Captitation Expenses, Misc and Value Based Services	\$155,514	\$12.85	\$172,028	\$13.71	10.62%	\$16,514	6.7%	\$0.86	2018/2019	\$1,200.23	4.2%
Stop Loss Recoveries	(\$1,461,562)	(\$120.78)	(\$588,460)	(\$46.91)	n/a	\$873,103	n/a	\$73.87	2019/2020	\$1,201.50	0.1%
Fixed Costs	\$1,872,478	\$154.74	\$2,087,420	\$166.39	11.48%	\$214,942	7.5%	\$11.65	2020/2021	\$1,178.50	-1.9%
<b>Total Costs</b>	<b>\$18,499,042</b>	<b>\$1,528.72</b>	<b>\$21,815,706</b>	<b>\$1,738.95</b>	<b>17.9%</b>	<b>\$3,316,664</b>	<b>13.8%</b>	<b>\$210.23</b>	2021/2022	\$1,289.40	9.4%
									2022/2023	\$1,420.82	10.2%
									2023/2024	\$1,443.37	1.6%
									2024/2025	\$1,528.72	5.9%
									2025/2026 (Est.)	\$1,738.95	13.8%

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	12,101	12,545	3.67%	444

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

\*\*2025/2026 Medical Claims Costs includes no 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
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	\$155,514	\$12.85	-0.83%	(\$1,296)	-6.6%	(\$0.91)
Stop Loss Recoveries	(\$969,824)	(\$85.12)	(\$1,461,562)	(\$120.78)	n/a	(\$491,739)	n/a	(\$35.66)
Fixed Costs	\$1,675,068	\$147.03	\$1,872,478	\$154.74	11.79%	\$197,409	5.2%	\$7.71
<b>Total Costs</b>	<b>\$16,444,343</b>	<b>\$1,443.37</b>	<b>\$18,499,042</b>	<b>\$1,528.72</b>	<b>12.5%</b>	<b>\$2,054,699</b>	<b>5.9%</b>	<b>\$85.35</b>

	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 actual runout

# City of Surprise

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

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

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	\$622,153	\$494	\$622,647	\$621,087	\$1,560	100.0%	(\$372,647)	\$250,000
2	I001	N	Active	PPO	\$214,664	\$133,909	\$348,572	\$326,082	\$22,491	100.0%	(\$98,572)	\$250,000
3	F001	Y	Active	HMO	\$341,228	\$5,415	\$346,643	\$245,707	\$100,936	100.0%	(\$96,643)	\$250,000
4	I003	N	Active	HMO	\$266,158	\$442	\$266,601	\$214,039	\$52,562	100.0%	(\$16,601)	\$250,000
5	F002	Y	Active	HMO	\$250,951	\$3,046	\$253,997	\$225,028	\$28,968	100.0%	(\$3,997)	\$250,000
6	I002	N	Active	HMO	\$248,365	\$1,216	\$249,580	\$246,800	\$2,781	99.8%		\$249,580
7	E002	Y	Active	PPO	\$204,228	\$1,527	\$205,755	\$173,521	\$32,234	82.3%		\$205,755
8	I006	N	Active	PPO	\$149,309	\$29,262	\$178,571	\$157,188	\$21,383	71.4%		\$178,571
9	C006	Y	Active	EPO	\$4,643	\$173,736	\$178,379	\$147,447	\$30,933	71.4%		\$178,379
10	I007	N	Active	HMO	\$153,884	\$12	\$153,896	\$132,695	\$21,201	61.6%		\$153,896
11	I005	N	Active	PPO	\$144,282	\$34	\$144,316	\$122,263	\$22,053	57.7%		\$144,316
12	I004	N	Active	PPO	\$9,084	\$133,669	\$142,753	\$142,394	\$359	57.1%		\$142,753
13	E004	Y	Active	PPO	\$3,377	\$127,794	\$131,171	\$119,644	\$11,527	52.5%		\$131,171
14	I008	N	Active	HMO	\$126,294	\$72	\$126,367		\$126,367	50.5%		\$126,367
15	H006	Y	Active	HMO	\$123,679	\$598	\$124,277	\$116,655	\$7,623	49.7%		\$124,277
16	F004	Y	Active	HMO	\$641	\$114,737	\$115,378		\$115,378	46.2%		\$115,378
17	H009	Y	Active	PPO	\$111,333	\$98	\$111,431	\$107,645	\$3,786	44.6%		\$111,431
18	I009	N	Active	PPO	\$103,642	\$1,582	\$105,224		\$105,224	42.1%		\$105,224
19	H005	Y	Active	HMO	\$1,038	\$99,765	\$100,803	\$100,803	\$0	40.3%		\$100,803
<b>Total</b>					<b>\$3,078,953</b>	<b>\$827,408</b>	<b>\$3,906,361</b>	<b>\$3,198,996</b>	<b>\$707,366</b>		<b>(\$588,460)</b>	<b>\$3,317,902</b>

<b>Percentage of Large Claims vs. Medical &amp; Rx Claims</b>	<b>25.5%</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 March 2026)

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	\$403,199	\$24,094	\$427,293	\$427,293	\$0	100.0%	(\$177,293)	\$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	\$126,752	\$9,149	\$135,901	\$135,901	\$0	54.4%		\$135,901
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	Termed	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	H013	N	Active	PPO	\$30,657	\$77,993	\$108,650	\$108,650	\$0	43.5%		\$108,650
21	H014	N	Termed	HMO	\$102,450	\$2,529	\$104,980	\$104,980	\$0	42.0%		\$104,980
22	H008	N	Active	HMO	\$2,765	\$100,846	\$103,611	\$103,611	\$0	41.4%		\$103,611

<b>Total</b>	<b>\$3,948,088</b>	<b>\$985,703</b>	<b>\$4,933,791</b>	<b>\$4,933,791</b>	<b>\$0</b>
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<b>(\$1,349,097)</b>	<b>\$3,584,694</b>
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<b>Percentage of Large Claims vs. Medical &amp; Rx Claims</b>	<b>25.3%</b>
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## City of Surprise PBM Summary

January 1, 2026 December 31, 2026

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

#### Prior Calendar Year 2020

<b>March</b>	\$53.28	Excludes 1 <sup>st</sup> Q rebates of \$131,400
<b>June</b>	\$56.32	Excludes 2 <sup>nd</sup> Q rebates of \$120,281
<b>September</b>	\$87.82	Excludes 3 <sup>rd</sup> Q rebates of \$132,089
<b>December</b>	\$74.55	Excludes 4 <sup>th</sup> Q rebates of \$125,975

#### Prior Calendar Year 2023

<b>March</b>	\$100.35	Excludes 1 <sup>st</sup> Q rebates of \$266,865
<b>June</b>	\$136.15	Excludes 2 <sup>nd</sup> Q rebates of \$338,275
<b>September</b>	\$138.85	Excludes 3 <sup>rd</sup> Q rebates of \$329,160
<b>December</b>	\$142.64	Excludes 4 <sup>th</sup> Q rebates of \$358,965

#### Prior Calendar Year 2021

<b>March</b>	\$84.47	Excludes 1 <sup>st</sup> Q rebates of \$168,260
<b>June</b>	\$83.48	Excludes 2 <sup>nd</sup> Q rebates of \$133,310
<b>September</b>	\$86.83	Excludes 3 <sup>rd</sup> Q rebates of \$149,160
<b>December</b>	\$93.08	Excludes 4 <sup>th</sup> Q rebates of \$152,930

#### Prior Calendar Year 2024

<b>March</b>	\$144.99	Excludes 1 <sup>st</sup> Q rebates of \$396,965
<b>June</b>	\$162.95	Excludes 2 <sup>nd</sup> Q rebates of \$430,420
<b>September</b>	\$119.01	Excludes 3 <sup>rd</sup> Q rebates of \$289,500
<b>December</b>	\$134.50	Excludes 4 <sup>th</sup> Q rebates of \$386,354

#### Prior Calendar Year 2022

<b>March</b>	\$94.88	Excludes 1 <sup>st</sup> Q rebates of \$187,775
<b>June</b>	\$106.93	Excludes 2 <sup>nd</sup> Q rebates of \$211,432
<b>September</b>	\$109.29	Excludes 3 <sup>rd</sup> Q rebates of \$242,805
<b>December</b>	\$100.68	Excludes 4 <sup>th</sup> Q rebates of \$236,690

#### Prior Calendar Year 2025

<b>March</b>	\$145.95	Excludes 1 <sup>st</sup> Q rebates of \$492,813
<b>June</b>	\$176.85	Excludes 2 <sup>nd</sup> Q rebates of \$589,038
<b>September</b>	\$192.17	Excludes 3 <sup>rd</sup> Q rebates of \$634,681
<b>December</b>	\$191.99	Excludes 4 <sup>th</sup> Q rebates of \$547,029

#### Current Calendar Year 2026

<b>March</b>	\$184.13	Excludes estimated 1 <sup>st</sup> Q rebates of \$500,000
<b>June</b>	TBD	TBD
<b>September</b>	TBD	TBD
<b>December</b>	TBD	TBD

PMPM trend continues to perform better than the broader CVS book of business.

Projected Rebates (CY 2026 - 12 months) ->= \$2 million

Projected Rebates Per Quarter (Per CBIZ Funding Projection) average between \$500,000 to \$600,000

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

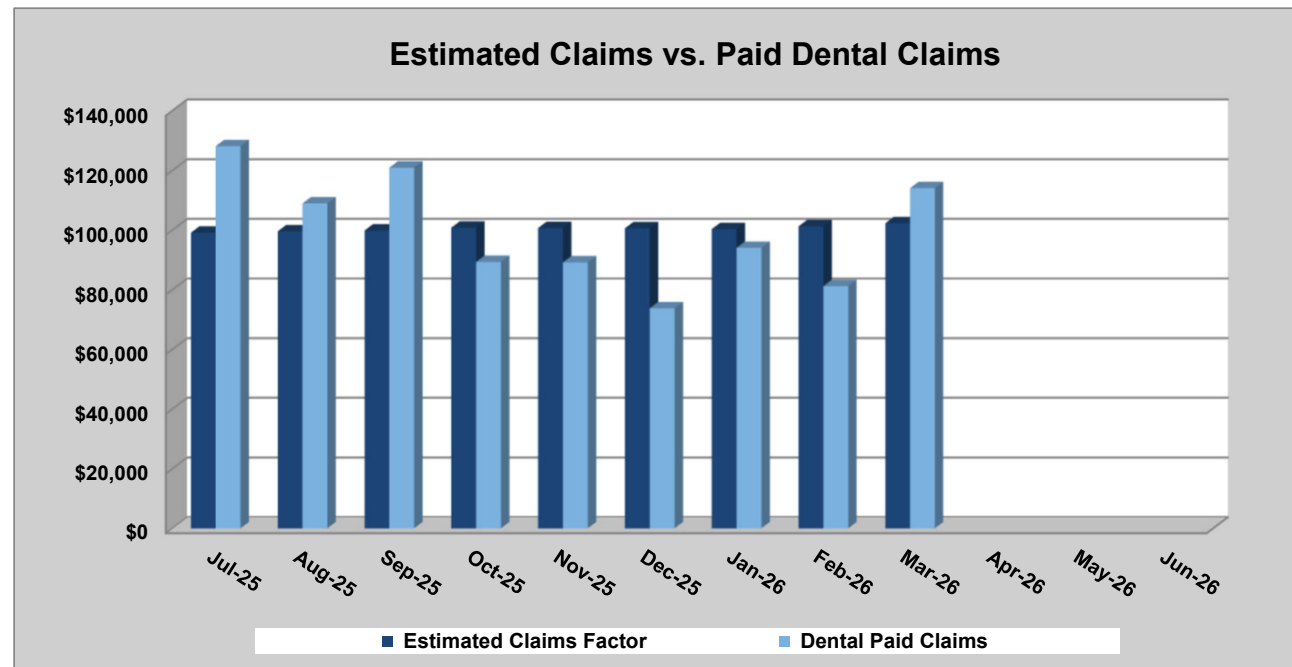


# Dental Reports

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

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	1,069	\$100,614	\$3,987	\$73,768	\$77,755	73.3%	\$69.01	\$72.74
Jan-26	1,066	\$100,332	\$3,976	\$94,032	\$98,008	93.7%	\$88.21	\$91.94
Feb-26	1,076	\$101,273	\$4,013	\$81,211	\$85,225	80.2%	\$75.48	\$79.21
Mar-26	1,087	\$102,308	\$4,055	\$114,061	\$118,116	111.5%	\$104.93	\$108.66
Apr-26								
May-26								
Jun-26								
<b>Total</b>	<b>9,611</b>	<b>\$904,587</b>	<b>\$35,845</b>	<b>\$899,538</b>	<b>\$935,384</b>	<b>99.4%</b>	<b>\$93.59</b>	<b>\$97.32</b>
Avg PEPM Enrollment	1068							

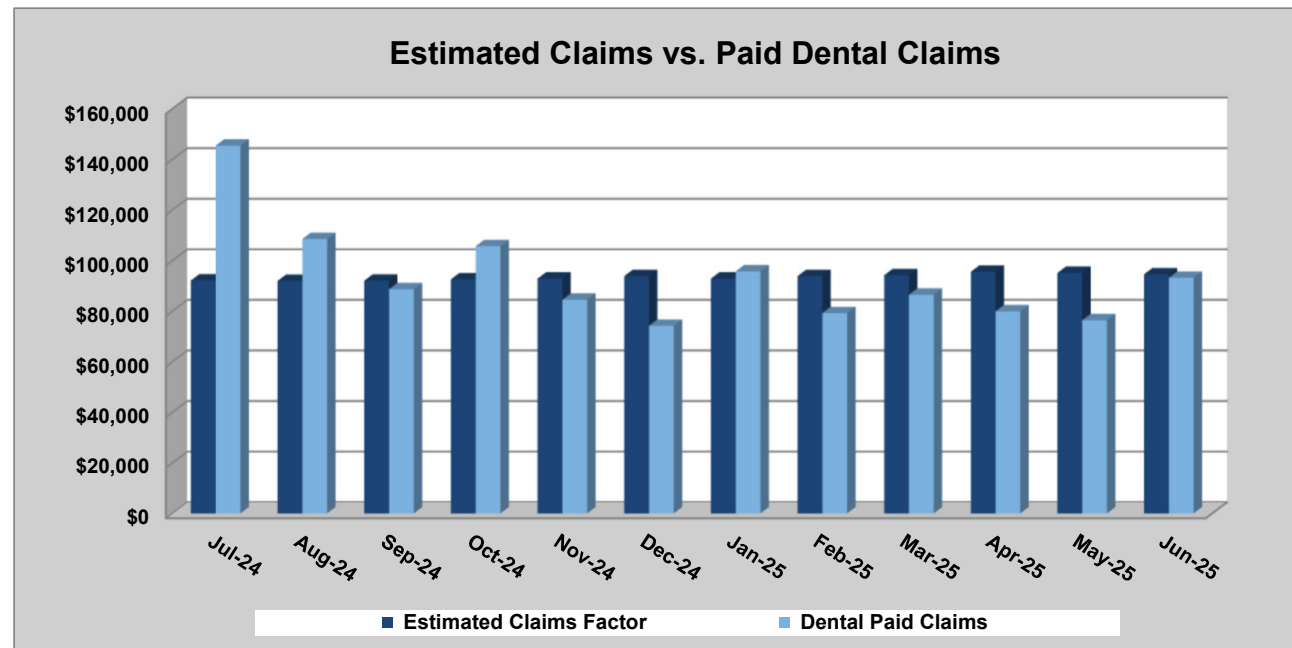
Admin Fees		Employee
Administration		\$3.73
Claim Expenses		
Estimated Claim Factor		\$94.12
Premium Equivalent Rates		
EE	EE + 1	Family
\$41.68	\$83.86	\$137.34



**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 March 2026)

#### 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	\$1,199,384	\$93.59
Admin Fees	\$44,116	\$3.55	\$47,794	\$3.73
<b>Total Costs</b>	<b>\$1,161,871</b>	<b>\$93.48</b>	<b>\$1,247,178</b>	<b>\$97.32</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
7.3%	\$81,629	4.1%	\$3.66
8.3%	\$3,678	5.1%	\$0.18
<b>7.3%</b>	<b>\$85,307</b>	<b>4.1%</b>	<b>\$3.84</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	\$97.32	4.1%

	Annual
Enrollment	12,429

Annualized
12,815

% Enrollment Change	# Enrollment Change
3.1%	386

\*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

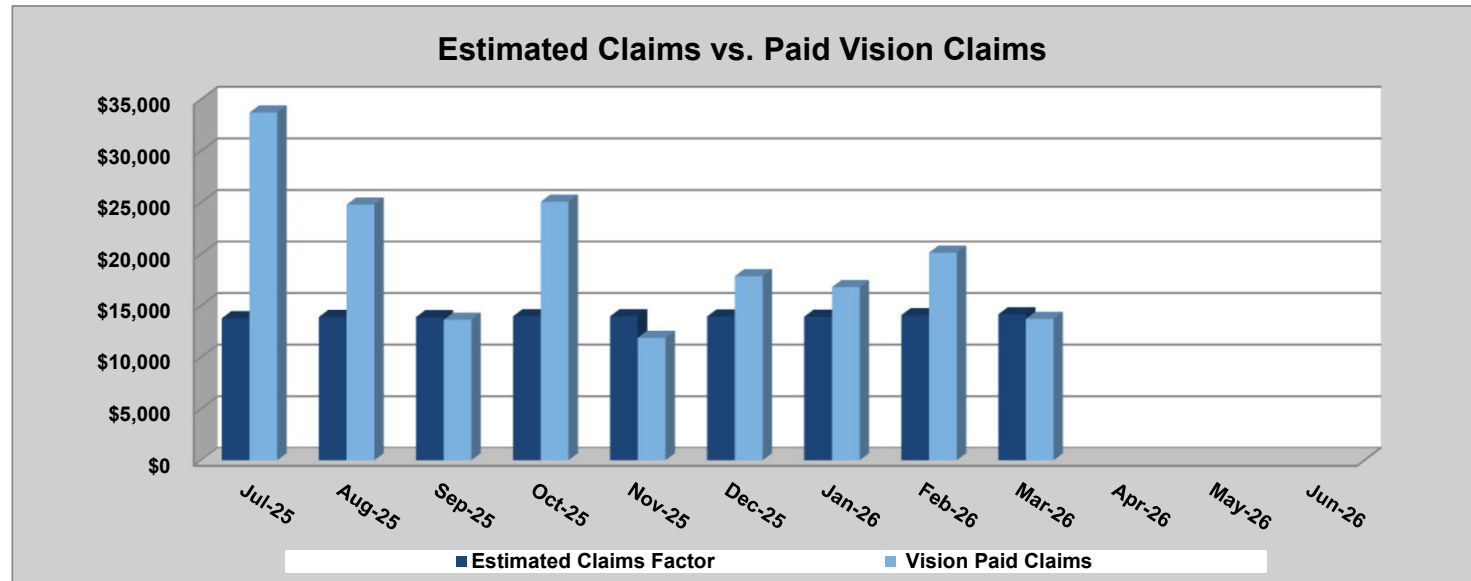
Plan Year: July 2025 to June 2026 (as of March 2026)

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	1015	\$13,926	\$1,523	\$16,797	\$18,319	120.6%	\$16.55	\$18.05
Feb-26	1026	\$14,077	\$1,539	\$20,142	\$21,681	143.1%	\$19.63	\$21.13
Mar-26	1032	\$14,159	\$1,548	\$13,713	\$15,261	96.9%	\$13.29	\$14.79
Apr-26								
May-26								
Jun-26								
<b>Total</b>	<b>9,155</b>	<b>\$125,607</b>	<b>\$13,733</b>	<b>\$177,619</b>	<b>\$191,351</b>	<b>141.4%</b>	<b>\$19.40</b>	<b>\$20.90</b>
Avg Enrollment	1017							

Admin Fees	Employee
Administration	\$1.50

Claim Expenses	
Estimated Claim Factor	\$13.72

Premium Equivalent Rates	
EE	Family
\$6.64	\$18.80



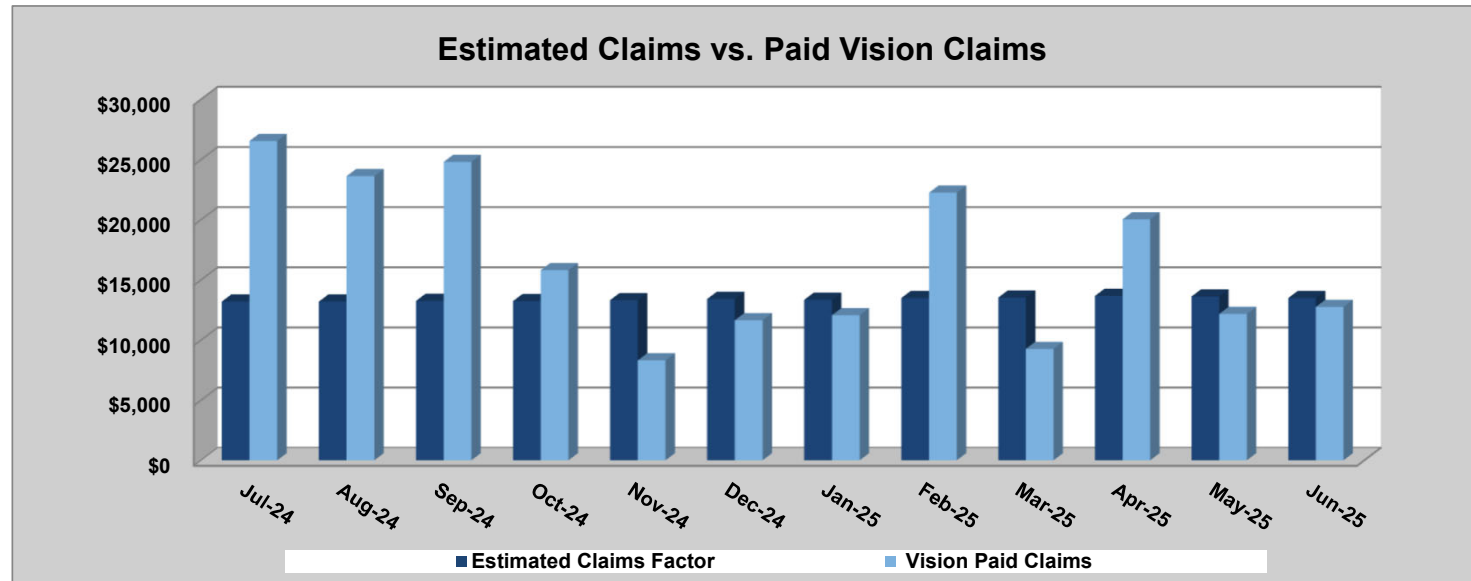
**City of Surprise**  
**Avesis Vision Self Funded Paid Claims**  
**Plan Year: July 2024 to June 2025**

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 March 2026)

### 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	\$213,143	\$17.46
Admin Fees	\$17,873	\$1.50	\$18,310	\$1.50
<b>Total Costs</b>	<b>\$217,114</b>	<b>\$18.22</b>	<b>\$231,453</b>	<b>\$18.96</b>

% Cost Change	\$ Cost Change	% PEPM Change	\$ PEPM Change
7.0%	\$13,901	4.4%	\$0.74
2.4%	\$438	0.0%	\$0.00
<b>6.6%</b>	<b>\$14,339</b>	<b>4.1%</b>	<b>\$0.74</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	\$18.96	4.1%

	Annual
Enrollment	11,915

Annualized
12,207

% Enrollment Change	# Enrollment Change
2.4%	292

\*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: June 3, 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 Reports for FY2026 3rd 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 reports for FY2026 3rd Quarter. This report contains unaudited financial activity through March 31, 2026 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:**

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**ATTACHMENTS:**

1. 3rd Quarter Self Insurance Fund FY26
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# City of Surprise, Arizona

Employee Healthcare Trust Fund and Workers' Compensation Fund

Reported as of 4/28/26

	Employee Healthcare Trust Fund	Workers' Compensation Trust Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 7,694,246	\$ 4,563,202
Prepaid services	3,860	-
Total current assets	<u>7,698,106</u>	<u>4,563,202</u>
Noncurrent assets:		
Net OPEB asset	6,058	3,724
Total noncurrent assets	<u>6,058</u>	<u>3,724</u>
Total assets	<u>7,704,164</u>	<u>4,566,926</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>7,739,195</u>	<u>4,588,086</u>
<b>LIABILITIES</b>		
Current liabilities:		
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>2,131,988</u>	<u>711,671</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>2,306,924</u>	<u>815,506</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>2,319,592</u>	<u>823,209</u>
<b>NET POSITION</b>		
Restricted for:		
Committed - Adverse Times Reserve	-	2,000,000
Committed - Adverse Claims Contingency Reserve	5,373,838	-
Unrestricted	45,765	1,764,877
Total net position	<u>\$ 5,419,603</u>	<u>\$ 3,764,877</u>

# City of Surprise, Arizona

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

Employee Healthcare Trust Fund

Reported as of 4/28/2026

	Third Quarter			
	Budget	FY 2026 Actual	Variance	% Variance
<b>OPERATING REVENUES</b>				
Employee Contributions				
Medical	\$ 2,986,583	\$ 2,820,000	(166,583)	(5.6%)
Dental	332,250	298,060	(34,190)	(10.3%)
Vision	40,500	37,963	(2,537)	(6.3%)
City Contributions				
Medical	15,651,500	14,873,101	(778,399)	(5.0%)
Dental	782,583	716,136	(66,447)	(8.5%)
Vision	121,667	113,750	(7,917)	(6.5%)
Cobra contributions	154,167	209,802	55,635	36.1%
Subrogation recovery	-	4,389	4,389	-
Wellness reimbursement	116,667	68,344	(48,323)	(41.4%)
Pharmacy rebate	1,523,167	1,375,150	(148,017)	(9.7%)
Miscellaneous Revenue	-	13,900	13,900	-
Prior Year Recovery	-	28,607	28,607	-
Interest revenue	153,417	44,338	(109,079)	(71.1%)
Total operating revenues	<u>21,862,500</u>	<u>20,603,540</u>	<u>(1,258,960)</u>	<u>(5.8%)</u>
<b>OPERATING EXPENSES</b>				
Personnel (Wages/Benefits)	178,583	168,666	(9,917)	(5.6%)
Wellness				
Work/life balance	116,667	91,048	(25,619)	(22.0%)
Books & subscriptions	250	-	(250)	(100.0%)
Special event hosting	500	-	(500)	(100.0%)
Administration				
Medical	641,083	680,112	39,029	6.1%
Medical stop loss	1,124,250	1,223,979	99,728	8.9%
Dental	40,500	35,824	(4,676)	(11.5%)
Vision	15,750	18,683	2,933	18.6%
Claims				
Medical	13,072,167	12,860,374	(211,793)	(1.6%)
Pharmacy	5,252,333	5,450,068	197,735	3.8%
Dental	1,114,583	899,539	(215,044)	(19.3%)
Vision	162,083	175,736	13,653	8.4%
Professional outside services	115,833	132,050	16,217	14.0%
Travel & training	3,333	399	(2,934)	(88.0%)
Dues & membership	333	299	(34)	(10.2%)
Limited purpose flex spending	14,917	15,302	385	2.6%
Total operating expenses	<u>21,853,166</u>	<u>21,752,078</u>	<u>(101,088)</u>	<u>(0.5%)</u>
Income (loss) before contributions and transfers	9,334	(1,148,538)	(1,157,872)	
Change in net position	<u>\$ 9,334</u>	<u>\$ (1,148,538)</u>	<u>\$ (1,157,872)</u>	

# City of Surprise, Arizona

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

Workers' Compensation Fund

Reported as of 4/28/26

	Third Quarter			
	Budget	FY 2026 Actual	Variance	% Variance
<b>OPERATING REVENUES</b>				
City Contributions				
Worker's comp	864,975	\$ 864,975	\$ -	0.0%
Claim Expense Reimbursement	-	6,206	(6,206)	-
Interest revenue	161,025	127,113	33,912	21.1%
Total operating revenues	<u>1,026,000</u>	<u>998,294</u>	<u>27,706</u>	
<b>OPERATING EXPENSES</b>				
Personnel (Wages/Benefits)	109,243	107,364	(1,879)	(1.7%)
Administration				
Claim Settlement	1,623,957	454,215	(1,169,742)	(72.0%)
Municipal Firefighters Cancer	500,000	413,406	(86,594)	(17.3%)
Other professional services	70,387	26,637	(43,750)	(62.2%)
Total operating expenses	<u>2,303,587</u>	<u>1,001,622</u>	<u>(1,301,965)</u>	
Income (loss) before contributions and transfers	<u>(1,277,587)</u>	<u>(3,328)</u>	<u>(1,274,259)</u>	
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	
Change in net position	<u>(1,277,587)</u>	<u>\$ (3,328)</u>	<u>\$ (1,274,259)</u>	

## Employee Health Care Activity

### Claims Medical & Pharmacy 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	5,069,186	5,373,508	7,867,748		18,310,442

### 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	(643,798)		(1,148,538)

### 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	282,363		968,076

## 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	626,583	438,045	310,522	1,375,150
<b>Total By Plan</b>	<b>\$ 4,057,222</b>	<b>\$ 2,349,291</b>	<b>\$ 1,521,199</b>	<b>\$ 7,927,712</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
January	49,764	2,520	180	52,464
February	13,368	-	-	13,368
March	22,612	-	-	22,612
Total FY 2025 Claims Run out	<u>\$ 1,660,076</u>	<u>\$ 40,406</u>	<u>\$ 5,720</u>	<u>\$ 1,706,202</u>
IBNR Valuation as of June 30, 2025	\$ 2,062,500 (402,424)	\$ 47,300 (6,894)	\$ 10,500 (4,780)	
FY2025 IBNR		\$ 2,120,300		
Total Run Out Claims FY2026		<u>(1,706,202)</u>		
		<u>\$ 414,098</u>		