CITY OF SURPRISE
Health Benefit Trust Fund Board Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
Wednesday, December 4, 2019 @ 4:00 PM
COUNCIL OVERFLOW ROOM

A. Call To Order

B. Roll Call

C. Pledge of Allegiance

D. Current Events and Reports

E. Staff Reports

F. Health Benefits Trust Fund Board Agenda

CALL TO THE PUBLIC:

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

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

CONSENT AGENDA:

1.	Citywide	Consideration and action pertaining to approval of the August 28, 2019 Health Benefits Trust Fund Board meeting minutes.	Finance

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

2.	Citywide	Presentation and discussion pertaining to CBIZ Consulting FY2020 1st Quarter Report.	None Lisa Angelini Finance
3.	Citywide	Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2020 1st Quarter.	None Nick Sarpy Finance
4.	Citywide	Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar for 2020.	Andrea Davis Finance
5.	Citywide	Consideration and action pertaining to placing items on a future agenda.	Finance

G. Other Business and Future Agenda Items

H. Executive Session

For information purposes: Upon a public majority vote of a quorum ("Commission"), the Commission may hold an executive session, which will not be open to the public, but for only the following purposes: discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03(A)(2));

or discussion or consultation for legal advice with the attorney or attorneys of the public body (A.R.S. §38-431.03(A)(3)).

Confidentiality Requirements: Pursuant to A.R.S. §38-431.03(C)(D), any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney or by agreement of the Commission, or as otherwise ordered by a court of competent jurisdiction.

The Commission may vote to hold an executive session for the purpose of obtaining legal advice from the Commission's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

I. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED:Tuesday, November 26, 2019 @ 3:15 p.m.   Amended on Tuesday, December 3, 2019 @ 2:17 p.m.

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.

CITY OF SURPRISE
Health Benefit Trust Fund Board Meeting

Council Meeting Date: December 4, 2019
Submitting Department: Finance
Staff Recommendations:

Contact Person:
District: Citywide

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

Agenda Wording:
Consideration and action pertaining to approval of the August 28, 2019 Health Benefits Trust Fund Board meeting minutes.

Motion:
I move to approve the August 28, 2019 Health Benefits Trust Fund Board meeting minutes.

Background:
Attached are the minutes from the August 28, 2019 board meeting.

Objective Analysis:

Policy Compliant:

Financial Impact:
No financial impact.

Budget Impact:
None.
FTE Impact:

ATTACHMENTS:
1. HBTF MINUTES 08.28.19 Draft

CITY OF SURPRISE

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

August 28, 2019

MEETING MINUTES

CALL TO ORDER

Chair Gwen Skorupan called the Health Benefits Trust Fund Meeting to order at 4:00 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Wednesday, August 28, 2019.

ROLL CALL

In attendance were Chair Gwen Skorupan, Vice Chair Aaron Bacon, Board Member William Coniam, Board Member Andrea Davis, and Board Member Renee Pastor (arrived after roll call).

STAFF PRESENT:

Donna Meuse, Human Resources Manager; Lisa Angelini, Human Resources Director; Nicholas Sarpy, Accounting Manager; Jennifer Medina, Financial Management Analyst Senior; Julie Ralls, Senior Financial Analyst; Bretton Jeziorski, Workers' Comp Senior Claims Adjuster; Harold Brady, PS Legal Advisor; Laura Roybal, Administrative Services Assistant.

PLEDGE OF ALLEGIANCE

CURRENT EVENTS REPORT

None

STAFF REPORT

None

CALL TO THE PUBLIC

None

CONSENT AGENDA

Item 1: Consideration and action to approve the June 5, 2019 Health Benefits Trust Fund Board Meeting Minutes.

- Board Member Bacon made a motion to approve the minutes. Board Member Davis seconded the motion. Motion passed.

REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING

Item 2: Presentation and update from Blue Cross Blue Shield

- Christie Thomas, Strategic Relationship Executive, Blue Cross Blue Shield, gave a presentation regarding utilization and upcoming enhancements to the Blue Cross Blue Shield program.

Item 3: Presentation and discussion of CBIZ Consulting FY2019 3rd Quarter Report.

- Michael Barberio presented CBIZ Consulting's 4th Quarter Report for FY2019.

Item 4: Presentation and discussion of the city's unaudited Employee Healthcare and Worker's Compensation Self Insurance Funds Financial Report for FY2019 3rd Quarter.

- Nicholas Sarpy, Accounting Manager, presented the 4th Quarter Financial report for FY2019.

Item 5: Discuss how premiums are set and administered.

- Michael Barberio provided an explanation and presentation regarding the algorithms used to set the medical premiums. Board member Pastor stated that she was more concerned with how the premiums were set for Workers' Compensation than medical premiums. A discussion was had about recalculating the Workers' Compensation premiums

Item 6: Consideration and action pertaining to placing items on future agenda.

- Board member Pastor requested that we revisit the calculation and department disbursement of Worker's Compensation insurance premiums, after some research and review, with the offer of assisting Brett Jeziorski with the requested review and analysis.

OTHER BUSINESS

None

ADJOURNMENT

Board Member Coniam made a motion to adjourn the meeting. Board Member Pastor seconded the motion. Hearing no further business, Chairperson Skorupan adjourned the Health Benefits Trust Fund meeting at 5:06 p.m.

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Gwen Skorupan, Chair
Health Benefits Trust Fund Board

CITY OF SURPRISE
Health Benefit Trust Fund Board Meeting

Council Meeting Date: December 4, 2019
Submitting Department: Finance
Staff Recommendations: None

Contact Person: Lisa Angelini, DIRECTOR - HR
District: Citywide

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

Agenda Wording:
Presentation and discussion pertaining to CBIZ Consulting FY2020 1st Quarter Report.

Motion:
None. Discussion only.

Background:

Objective Analysis:
CBIZ Consulting will present the 1st Quarter self-funded medical, dental, and vision report for plan year FY2020 for the City. This report contains financial information and claims activity.

Policy Compliant:

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

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

FTE Impact:

ATTACHMENTS:
1. COS Medical, Dental & Vision Experience 09 19
2. City of Surprise PBM Summary Dec 2019 Board Meeting

City of Surprise

Medical, Pharmacy, Dental & Vision Experience

Plan Year: ***July 2019 – June 2020***

Month End: ***September 2019***

Presented by your CBIZ Team

Mike Barberio, Stacy Hutton & Margaret Latham

our business is growing yours.

City of Surprise

Paid Claims and Administration

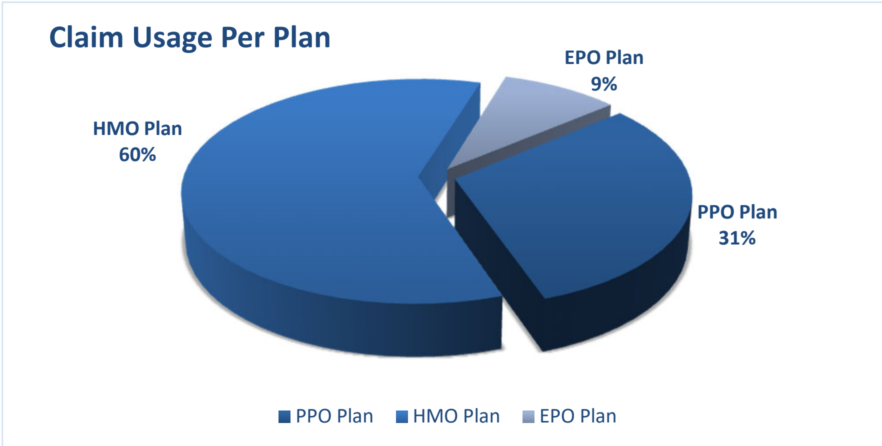
Plan Year: July 2019 to June 2020 (as of September 2019)

Incurred and Paid

BlueCross BlueShield of Arizona and Optum Rx- All Plans														Loss Ratio		PEPM Costs				
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates & Performance Guarantees	Blue Card Claims Expense & Misc.	Capitation Fees	Value Based Services	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims & Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Paid Claims Net Stop Loss Reimburse-ment PEPM	Total Claims & Fees PEPM
Jul-19	748	$ 920,343	$ 1,068,869	$ 305,605	$ 169,627	$ -	$ 675	$ 6,718	$ 1,602	$ -	$ 484,228	$ 94,973	$ 579,201	52.6%	45.3%	$418.45	$226.77	$647.36	$647.36	$774.33
Aug-19	753	$ 921,999	$ 1,071,362	$ 698,774	$ 138,631	$ -	$ 2,432	$ 6,733	$ 1,526	$ -	$ 848,096	$ 95,609	$ 943,704	92.0%	79.2%	$940.16	$184.11	$1,126.29	$1,126.29	$1,253.26
Sep-19	754	$ 919,274	$ 1,068,452	$ 823,408	$ 134,897	$ -	$ 2,698	$ 6,710	$ 1,642	$ -	$ 969,355	$ 95,734	$ 1,065,088	105.4%	90.7%	$1,104.53	$178.91	$1,285.62	$1,285.62	$1,412.58
Oct-19																				
Nov-19																				
Dec-19																				
Jan-20																				
Feb-20																				
Mar-20																				
Apr-20																				
May-20																				
Jun-20																				
Total	**2,255**	**$ 2,761,616**	**$ 3,208,683**	**$ 1,827,787**	**$ 443,155**	**$ -**	**$ 5,805**	**$ 20,161**	**$ 4,770**	**$ -**	**$ 2,301,678**	**$ 286,315**	**$ 2,587,993**	**83.3%**	**71.7%**	**$822.06**	**$196.52**	**$1,020.70**	**$1,020.70**	**$1,147.67**
Avg	**752**																			

Administrative Fees	PPO Plan			HMO Plan			EPO Plan		
	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Administration	$49.76	$49.76	$49.76	$49.76	$49.76	$49.76	$49.76	$49.76	$49.76
Specific Stoploss 12/24 $250,000 ISL	$72.45	$72.45	$72.45	$72.45	$72.45	$72.45	$72.45	$72.45	$72.45
Aggregate Stoploss (125%)	$5.10	$5.10	$5.10	$4.55	$4.55	$4.55	$4.55	$4.55	$4.55
Total Admin Fees	**$127.31**	**$127.31**	**$127.31**	**$126.76**	**$126.76**	**$126.76**	**$126.76**	**$126.76**	**$126.76**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$481.10**	**$1,089.51**	**$1,576.22**	**$502.47**	**$1,131.70**	**$1,635.12**	**$442.70**	**$1,012.16**	**$1,467.74**
Maximum Liability (ICAP)	**$656.76**	**$1,306.66**	**$1,826.57**	**$667.38**	**$1,327.94**	**$1,856.40**	**$561.92**	**$1,118.09**	**$1,563.05**



City of Surprise
Paid Claims and Administration
Plan Year: July 2019 to June 2020 (as of September 2019)
Incurred and Paid

	BlueCross BlueShield of Arizona & Optum Rx - PPO Plan										Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-19	284	$ 325,480	$ 388,247	$ 79,931	$ 41,209	$ -	$ -	$ 121,140	$ 36,156	$ 157,296	37.2%	31.2%	$281.45	$145.10	$426.55	$553.86
Aug-19	288	$ 327,891	$ 391,394	$ 221,135	$ 37,495	$ -	$ -	$ 258,630	$ 36,665	$ 295,296	78.9%	66.1%	$767.83	$130.19	$898.02	$1,025.33
Sep-19	285	$ 323,163	$ 385,915	$ 278,681	$ 41,444	$ -	$ -	$ 320,125	$ 36,283	$ 356,408	99.1%	83.0%	$977.83	$145.42	$1,123.25	$1,250.56
Oct-19																
Nov-19																
Dec-19																
Jan-20																
Feb-20																
Mar-20																
Apr-20																
May-20																
Jun-20																
Total	**857**	**$ 976,535**	**$ 1,165,556**	**$ 579,746**	**$ 120,149**	**$ -**	**$ -**	**$ 699,895**	**$ 109,105**	**$ 809,000**	**71.7%**	**60.0%**	**$676.48**	**$140.20**	**$816.68**	**$943.99**
Avg	**286**															

Administrative Fees	PPO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$49.76	$49.76	$49.76
Specific Stoploss 12/24 $250,000 ISL	$72.45	$72.45	$72.45
Aggregate Stoploss (125%)	$5.10	$5.10	$5.10
Total Admin Fees	**$127.31**	**$127.31**	**$127.31**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$481.10**	**$1,089.51**	**$1,576.22**
Maximum Liability (ICAP)	**$656.76**	**$1,306.66**	**$1,826.57**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	84	62	138	284
August	88	61	139	288
September	88	61	136	285
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	**260**	**184**	**413**	**857**

City of Surprise

Paid Claims and Administration

Plan Year: July 2019 to June 2020 (as of September 2019)

Incurred and Paid

BlueCross BlueShield of Arizona & Optum Rx - HMO Plan											Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-19	368	$ 488,584	$ 564,385	$ 188,533	$ 113,801	$ -	$ -	$ 302,333	$ 46,648	$ 348,981	61.9%	53.6%	$512.32	$309.24	$821.56	$948.32
Aug-19	369	$ 487,828	$ 563,731	$ 411,300	$ 87,705	$ -	$ -	$ 499,005	$ 46,774	$ 545,779	102.3%	88.5%	$1,114.63	$237.68	$1,352.32	$1,479.08
Sep-19	371	$ 488,833	$ 565,066	$ 481,864	$ 78,482	$ -	$ -	$ 560,346	$ 47,028	$ 607,374	114.6%	99.2%	$1,298.83	$211.54	$1,510.37	$1,637.13
Oct-19																
Nov-19																
Dec-19																
Jan-20																
Feb-20																
Mar-20																
Apr-20																
May-20																
Jun-20																
Total	**1,108**	**$ 1,465,244**	**$ 1,693,182**	**$ 1,081,696**	**$ 279,988**	**$ -**	**$ -**	**$ 1,361,684**	**$ 140,450**	**$ 1,502,134**	**92.9%**	**80.4%**	**$976.26**	**$252.70**	**$1,228.96**	**$1,355.72**
Avg	**369**															

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$49.76	$49.76	$49.76
Specific Stoploss 12/24 $250,000 ISL	$72.45	$72.45	$72.45
Aggregate Stoploss (125%)	$4.55	$4.55	$4.55
Total Admin Fees	**$126.76**	**$126.76**	**$126.76**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$502.47**	**$1,131.70**	**$1,635.12**
Maximum Liability (ICAP)	**$667.38**	**$1,327.94**	**$1,856.40**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	71	65	232	368
August	74	63	232	369
September	76	63	232	371
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	**221**	**191**	**696**	**1,108**

City of Surprise

Paid Claims and Administration

Plan Year: July 2019 to June 2020 (as of September 2019)

Incurred and Paid

BlueCross BlueShield of Arizona & Optum Rx - EPO Plan											Loss Ratio		PEPM Costs			
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims and Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Claims & Fees PEPM
Jul-19	96	$ 106,279	$ 116,237	$ 37,142	$ 14,617	$ -	$ -	$ 51,759	$ 12,169	$ 63,928	48.7%	44.5%	$386.89	$152.27	$539.16	$665.92
Aug-19	96	$ 106,279	$ 116,237	$ 66,340	$ 13,431	$ -	$ -	$ 79,770	$ 12,169	$ 91,939	75.1%	68.6%	$691.04	$139.90	$830.94	$957.70
Sep-19	98	$ 107,279	$ 117,472	$ 62,863	$ 14,970	$ -	$ -	$ 77,833	$ 12,422	$ 90,255	72.6%	66.3%	$641.46	$152.76	$794.21	$920.97
Oct-19																
Nov-19																
Dec-19																
Jan-20																
Feb-20																
Mar-20																
Apr-20																
May-20																
Jun-20																
Total	**290**	**$ 319,837**	**$ 349,945**	**$ 166,344**	**$ 43,018**	**$ -**	**$ -**	**$ 209,362**	**$ 36,760**	**$ 246,123**	**65.5%**	**59.8%**	**$573.60**	**$148.34**	**$721.94**	**$848.70**
Avg	**97**															

Administrative Fees	HMO Plan		
	Employee	Emp + 1 Dep	EE + Family
Administration	$49.76	$49.76	$49.76
Specific Stoploss 12/24 $250,000 ISL	$72.45	$72.45	$72.45
Aggregate Stoploss (125%)	$4.55	$4.55	$4.55
Total Admin Fees	**$126.76**	**$126.76**	**$126.76**

Claim Expenses	Employee	Emp + 1 Dep	EE + Family
Expected Liability	**$442.70**	**$1,012.16**	**$1,467.74**
Maximum Liability (ICAP)	**$561.92**	**$1,118.09**	**$1,563.05**

Number of Enrollees by Month				
Month	EE	EE + 1	EE + Fam	Total
July	28	13	55	96
August	28	13	55	96
September	29	15	54	98
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
Totals	**85**	**41**	**164**	**290**

City of Surprise

Paid Claims and Administration

Plan Year: July 2018 to June 2019 with Runout through September 2019

Incurred and Paid

BlueCross BlueShield of Arizona and Optum Rx- All Plans														Loss Ratio		PEPM Costs				
Paid Month	Subscribers	Expected Claims Liability	Maximum Claims Liability	Medical Paid Claims	Rx Paid Claims	Optum Rx Rebates & Performance Guarantees	Blue Card Claims Expense & Misc.	Capitation Fees	Value Based Services	Stop Loss Recovery	Total Paid Claims	Admin Fees	Total Paid Claims & Admin Fees	Actual Claims vs Expected Claims Liability	Actual Claims vs Maximum Claims Liability	Medical Claims Paid PEPM	Rx Claims Paid PEPM	Total Claims Paid PEPM	Total Paid Claims Net Stop Loss Reimburse-ment PEPM	Total Claims & Fees PEPM
Jul-18	710	$ 833,067	$ 971,366	$ 274,230	$ 172,399	$ -	$ 15	$ 3,610	$ 1,346	$ -	$ 451,599	$ 85,578	$ 537,177	54.2%	46.5%	$391.34	$242.82	$636.06	$636.06	$756.59
Aug-18	715	$ 838,586	$ 977,857	$ 810,047	$ 156,087	$ -	$ 148	$ 3,655	$ 1,354	$ -	$ 971,290	$ 86,182	$ 1,057,472	115.8%	99.3%	$1,138.25	$218.30	$1,358.45	$1,358.45	$1,478.98
Sep-18	715	$ 841,030	$ 980,453	$ 726,683	$ 149,875	$ -	$ 179	$ 3,703	$ 1,327	$ (75,627)	$ 806,140	$ 86,183	$ 892,323	95.9%	82.2%	$1,021.77	$209.62	$1,233.24	$1,127.47	$1,248.00
Oct-18	715	$ 839,935	$ 979,306	$ 909,571	$ 172,101	$ -	$ 400	$ 3,686	$ 1,370	$ (90,880)	$ 996,247	$ 86,184	$ 1,082,431	118.6%	101.7%	$1,277.84	$240.70	$1,520.46	$1,393.35	$1,513.89
Nov-18	714	$ 838,278	$ 977,433	$ 647,417	$ 115,033	$ -	$ (952)	$ 3,668	$ 1,469	$ (68,978)	$ 697,657	$ 86,064	$ 783,721	83.2%	71.4%	$910.55	$161.11	$1,073.72	$977.11	$1,097.65
Dec-18	713	$ 835,049	$ 973,911	$ 702,396	$ 151,891	$ -	$ 36	$ 3,667	$ 1,470	$ (3,097)	$ 856,363	$ 85,945	$ 942,308	102.6%	87.9%	$990.32	$213.03	$1,205.41	$1,201.07	$1,321.61
Jan-19	729	$ 850,754	$ 992,626	$ 602,574	$ 155,411	$ (108,496)	$ 237	$ 3,826	$ 1,449	$ -	$ 655,000	$ 87,878	$ 742,878	77.0%	66.0%	$832.15	$213.18	$898.49	$898.49	$1,019.04
Feb-19	733	$ 856,373	$ 999,093	$ 614,827	$ 154,026	$ -	$ 236	$ 3,879	$ 1,481	$ (41,559)	$ 732,890	$ 88,361	$ 821,251	85.6%	73.4%	$844.40	$210.13	$1,056.55	$999.85	$1,120.40
Mar-19	737	$ 860,686	$ 1,004,187	$ 707,830	$ 152,514	$ -	$ 1,845	$ 3,911	$ 1,421	$ (16)	$ 867,504	$ 88,845	$ 956,349	100.8%	86.4%	$968.23	$206.94	$1,177.10	$1,177.08	$1,297.62
Apr-19	737	$ 860,761	$ 1,004,273	$ 764,990	$ 157,088	$ (102,823)	$ 168	$ 3,931	$ 1,423	$ (35,830)	$ 788,948	$ 88,845	$ 877,793	91.7%	78.6%	$1,043.54	$213.15	$1,119.10	$1,070.49	$1,191.04
May-19	732	$ 856,386	$ 999,009	$ 785,314	$ 126,056	$ (53,710)	$ 379	$ 3,905	$ 1,655	$ (261,062)	$ 602,537	$ 88,243	$ 690,780	70.4%	60.3%	$1,078.69	$172.21	$1,179.78	$823.14	$943.69
Jun-19	730	$ 857,009	$ 999,413	$ 565,102	$ 134,171	$ -	$ 294	$ 3,944	$ 1,624	$ (16)	$ 705,119	$ 88,002	$ 793,121	82.3%	70.6%	$779.92	$183.80	$965.94	$965.92	$1,086.47
Total	**8,680**	**$ 10,167,914**	**$ 11,858,927**	**$ 8,110,980**	**$ 1,796,652**	**$ (265,029)**	**$ 2,983**	**$ 45,385**	**$ 17,391**	**$ (577,066)**	**$ 9,131,295**	**$ 1,046,310**	**$ 10,177,605**	**89.8%**	**77.0%**	**$940.02**	**$206.99**	**$1,118.47**	**$1,051.99**	**$1,172.54**
Avg	**723**																			

BCBS Runout							
Month	Paid Medical	Paid Rx	Optum Rx Rebates	Blue Card Claims Expense	Capitation (Chiro FFS Costs)	Stop Loss Recovery	Total Paid Claims
Jul-19	$ 267,420	$ -	$ (120,916)	$ 204	$ (3)	$ -	$ 146,705
Aug-19	$ 110,095	$ -	$ -	$ 2,031	$ (3)	$ -	$ 112,123
Sep-19	$ 17,472	$ -	$ -	$ -	$ -	$ -	$ 17,472
Oct-19							$ -
Nov-19							$ -
Dec-19							$ -
Jan-20							$ -
Feb-20							$ -
Mar-20							$ -
Apr-20							$ -
May-20							$ -
Jun-20							$ -
Total	**$ 394,987**	**$ -**	**$ (120,916)**	**$ 2,235**	**$ (6)**	**$ -**	**$ 276,301**

2018-2019 Medical Plan Costs with Runout

Total Claims Incurred for Time Period	Total Stop Loss Recovery	Total Paid Claims Net Runout	Total Admin Fees	Total Paid Claims and Admin Costs	% Actual Claims vs. Expected	% Actual Claims vs. Maximum Claim Liability	Total Paid Claims & Admin Costs PEPM
$ 9,984,662	**$ (577,066)**	**$ 9,407,596**	**$ 1,046,310**	**$ 10,453,905**	**92.5%**	**79.3%**	**$ 1,204.37**

Specific Stoploss 12/24 $250,000 ISL

Aggregate Stoploss (125%)

2018 BCBS Total Rebate amount YTD is $3,924.

City of Surprise

Plan Year: July 2018 to June 2019 with Runout through September 2019

Annual Cost Comparison Analysis

Incurred and Paid - 2018/2019 vs. 2019/2020

Cost Categories	2018/2019 with Runout	PEPM Costs	2019/2020 Estimated Annual	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$8,761,147	$1,009.35	$8,203,106	$909.44	-6.37%	($558,040)	-9.9%	($99.91)
Rx Claims Costs**	$1,796,652	$206.99	$2,180,322	$241.72	21.35%	$383,671	16.8%	$34.73
Rx Rebates	($459,000)	($52.88)	($495,720)	($54.96)	8.00%	($36,720)	3.9%	($2.08)
Blue Card, Captitation Expenses & Misc.	$67,988	$7.83	$122,947	$13.63	80.84%	$54,959	74.0%	$5.80
Stop Loss Recoveries***	($577,066)	($66.48)	$0	$0.00	n/a	$577,066	n/a	$66.48
Admin Fees	$1,046,310	$120.54	$1,145,261	$126.97	9.46%	$98,951	5.3%	$6.43
Total Costs	**$10,636,029**	**$1,225.35**	**$11,155,916**	**$1,236.80**	**4.9%**	**$519,887**	**0.9%**	**$11.45**

PEPM Total Cost History		Increase/ Decrease
2014/2015	$1,079.93	
2015/2016	$1,160.82	7.5%
2016/2017	$1,202.07	3.6%
2017/2018	$1,151.77	-4.2%
2018/2019	$1,225.35	6.4%
2019/2020	$1,236.80	0.9%

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,680	9,020	3.92%	$340

*2019/2020 Medical Claims Costs includes a 2% escalator load and a 10% completion factor
**2019/2020 Rx Claims Costs includes a 23% escalator load
***Stop Loss Recoveries are not annualized

Incurred and Paid - 2017/2018 vs. 2018/2019

Cost Categories	2017/2018 with Runout	PEPM Costs	2018/2019 with Runout	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	$7,146,271	$849.63	$8,761,147	$1,009.35	22.60%	$1,614,876	18.8%	$159.71
Rx Claims Costs	$1,729,232	$205.59	$1,796,652	$206.99	3.90%	$67,420	0.7%	$1.40
Rx Rebates	($206,433)	($24.54)	($459,000)	($52.88)	122.35%	($252,567)	115.5%	($28.34)
Blue Card, Captitation Expenses & Misc.	$62,469	$7.43	$67,988	$7.83	8.83%	$5,519	5.5%	$0.41
Stop Loss Recoveries***	($18,369)	($2.18)	($577,066)	($66.48)	n/a	($558,697)	n/a	($64.30)
Admin Fees	$974,352	$115.84	$1,046,310	$120.54	7.39%	$71,958	4.1%	$4.70
Total Costs	**$9,687,522**	**$1,151.77**	**$10,636,029**	**$1,225.35**	**9.8%**	**$948,507**	**6.4%**	**$73.58**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,411	8,680	3.20%	$269

*2018/2019 Medical Claims Costs includes a 3% completion factor

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

Plan Year: July 2019 to June 2020 (as of September 2019)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Qtr	% of $250K ISL Limit
1	C001	N	Active	HMO	$158,038	$8	$158,046	63.2%
2	B012	Y	Active	PPO	$124,379	$91	$124,469	49.8%
3	A010	Y	Active	HMO	$107,572	$261	$107,833	43.1%
					$389,988	$360	$390,348	

Percentage of Large Claims vs. Medical & Rx Claims	8.6%

Green highlight denotes new claimant in the current month.

City of Surprise

Blue Cross Blue Shield - Large Claims over $50k

Plan Year: July 2018 to June 2019 (as of September 2019)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Qtr	Previous Quarter's YTD Paid Claims	Change from Prior Quarter's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
1	B008	N	Termed 5/1/19	PPO	$492,051	$18,455	**$510,506**	$510,506	$0	100.0%	($260,506)	$250,000
2	A021	Y	Termed 12/1/18	HMO	$487,161	$4,649	**$491,810**	$491,810	$0	100.0%	($241,810)	$250,000
3	B001	N	Active	HMO	$324,663	$88	**$324,751**	$324,751	$0	100.0%	($74,751)	$250,000
4	B005	N	Active	PPO	$170,029	$73	**$170,102**	$169,783	$319	68.0%		$170,102
5	B002	N	Active	PPO	$148,052	$4,725	**$152,777**	$153,114	-$337	61.1%		$152,777
6	A017	Y	Active	HMO	$148,220	$1,556	**$149,776**	$149,776	$0	59.9%		$149,776
7	B007	N	Active	HMO	$140,276	$0	**$140,276**	$140,276	$0	56.1%		$140,276
8	B003	N	Active	HMO	$131,274	$419	**$131,693**	$131,693	$0	52.7%		$131,693
9	A019	Y	Active	PPO	$124,775	$0	**$124,775**	$124,775	$0	49.9%		$124,775
10	A007	N	Active	PPO	$2,458	$116,829	**$119,287**	$119,287	$0	47.7%		$119,287
11	PY 16-17 #26	Y	Active	HMO	$18,315	$97,389	**$115,704**	$115,704	$0	46.3%		$115,704
12	B014	N	Active	HMO	$107,474	$1,181	**$108,655**	$108,655	$0	43.5%		$108,655
13	B009	N	Termed	HMO	$0	$96,190	**$96,190**	$96,190	$0	38.5%		$96,190
14	B006	N	Active	HMO	$82,200	$519	**$82,719**	$82,719	$0	33.1%		$82,719
15	B016	Y	Termed 9/1/19	PPO	$82,329	$0	**$82,329**	$82,329	$0	32.9%		$82,329
16	B012	N	Active	PPO	$79,913	$2,048	**$81,960**	$81,960	$0	32.8%		$81,960
17	A024	Y	Active	PPO	$13,309	$67,695	**$81,004**	$81,004	$0	32.4%		$81,004
18	B011	N	Active	PPO	$71,623	$4,323	**$75,946**	$73,410	$2,536	30.4%		$75,946
19	A013	Y	Active	HMO	$1,102	$72,645	**$73,747**	$73,747	$0	29.5%		$73,747
20	B010	N	Active	PPO	$54,392	$16,921	**$71,314**	$71,314	$0	28.5%		$71,314
21	B013	N	Active	HMO	$64,606	$2	**$64,608**	$64,608	$0	25.8%		$64,608
22	A018	Y	Active	HMO	$896	$61,887	**$62,783**	$62,783	$0	25.1%		$62,783
23	B004	N	Active	HMO	$58,746	$0	**$58,746**	$58,746	$0	23.5%		$58,746
24	B012	N	Active	PPO	$7,652	$47,273	**$54,925**	$54,925	$0	22.0%		$54,925
25	A020	Y	Active	PPO	$54,595	$11	**$54,606**	$54,530	$76	21.8%		$54,606

City of Surprise
Blue Cross Blue Shield - Large Claims over $50k
Plan Year: July 2018 to June 2019 (as of September 2019)

Claimant	Unique ID	Prior Year Large Claimant (Y/N)	Enrollment Status	Plan	Medical Paid Claims	Rx Paid Claims	Current YTD Paid Claims through Qtr	Previous Quarter's YTD Paid Claims	Change from Prior Quarter's Claims	% of $250K ISL Limit	Stop Loss Reimbursement	Net Paid after SL Reimbursements
26	B015	N	Active	HMO	$33,393	$17,503	$50,897	$50,897	$0	20.4%		$50,897
27	A023	Y	Active	HMO	$19,247	$31,277	$50,524	$50,524	$0	20.2%		$50,524
					$2,918,751	$663,658	$3,582,409	$3,579,816	$2,593		($577,066)	$3,005,343

Percentage of Large Claims vs. Medical & Rx Claims	34.8%

Dental Reports

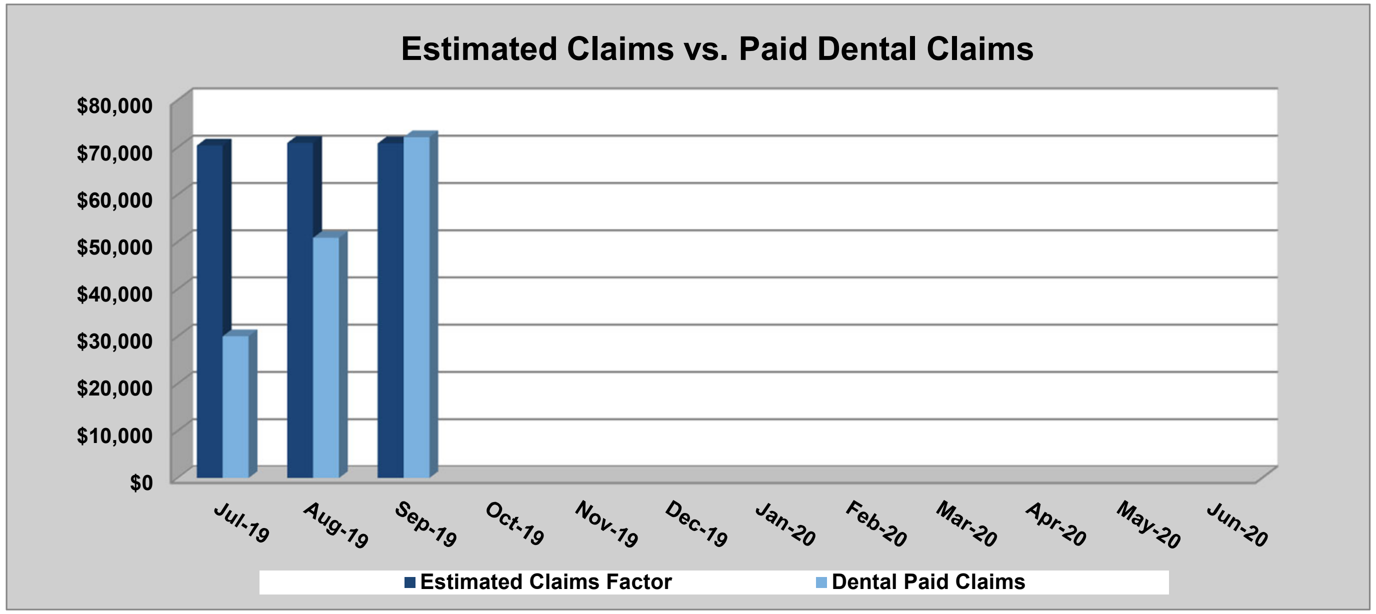
City of Surprise
Delta Dental Self Funded Paid Claims
Plan Year: July 2019 to June 2020 (as of September 2019)

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-19	771	$70,408	$2,737	$30,048	$32,785	42.7%	$38.97	$42.52
Aug-19	777	$70,956	$2,755	$50,869	$53,624	71.7%	$65.47	$69.01
Sep-19	776	$70,864	$2,755	$72,157	$74,912	101.8%	$92.99	$96.54
Oct-19								
Nov-19								
Dec-19								
Jan-20								
Feb-20								
Mar-20								
Apr-20								
May-20								
Jun-20								
Total	**2,324**	**$212,228**	**$8,247**	**$153,074**	**$161,321**	**72.1%**	**$65.87**	**$69.42**
Avg PEPM Enrollment	**775**							

Admin Fees	Employee
Administration	$3.55

Claim Expenses	
Estimated Claim Factor	$91.32

Premium Equivalent Rates		
EE	EE + 1	Family
$38.80	$76.89	$124.56



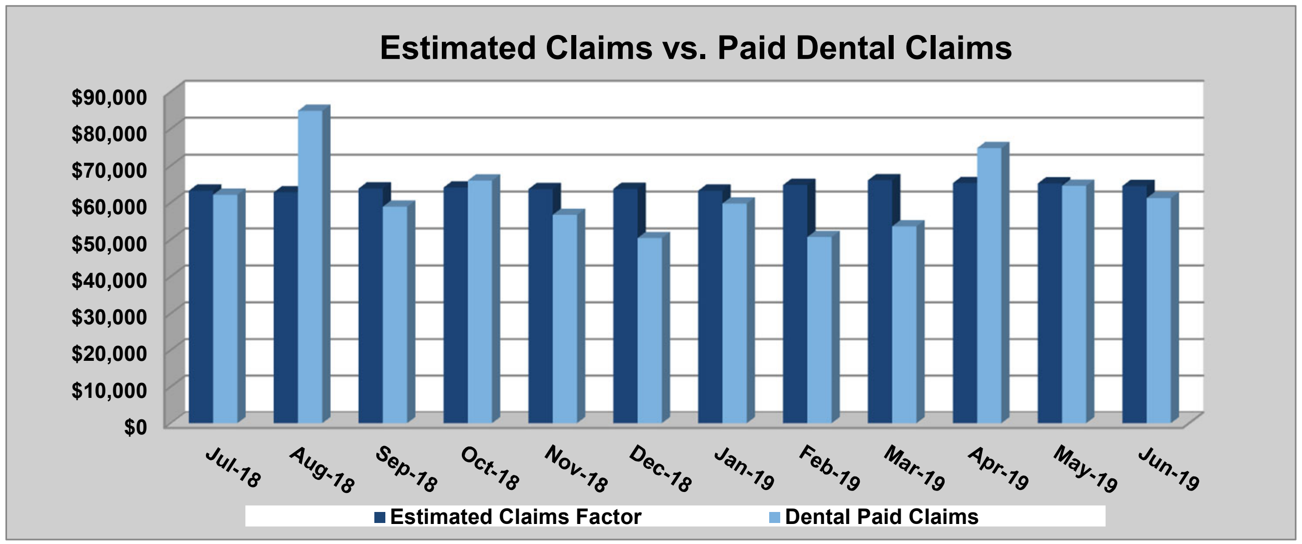
City of Surprise
Metlife Dental Self Funded Paid Claims
Plan Year: July 2018 to June 2019 with Runout (as of September 2019)

MetLife 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-18	734	$63,219	$3,920	$62,128	$66,048	98.3%	$84.64	$89.98
Aug-18	729	$62,789	$3,893	$84,852	$88,745	135.1%	$116.39	$121.73
Sep-18	741	$63,822	$3,957	$58,892	$62,849	92.3%	$79.48	$84.82
Oct-18	744	$64,081	$3,973	$65,983	$69,956	103.0%	$88.69	$94.03
Nov-18	739	$63,650	$3,946	$56,676	$60,622	89.0%	$76.69	$82.03
Dec-18	740	$63,736	$3,952	$50,384	$54,335	79.1%	$68.09	$73.43
Jan-19	734	$63,219	$3,920	$59,755	$63,674	94.5%	$81.41	$86.75
Feb-19	752	$64,770	$4,016	$50,679	$54,694	78.2%	$67.39	$72.73
Mar-19	767	$66,062	$4,096	$53,581	$57,677	81.1%	$69.86	$75.20
Apr-19	758	$65,287	$4,048	$74,757	$78,804	114.5%	$98.62	$103.96
May-19	757	$65,200	$4,042	$64,562	$68,605	99.0%	$85.29	$90.63
Jun-19	749	$64,511	$4,000	$61,204	$65,204	94.9%	$81.71	$87.05
Total	**8,944**	**$770,347**	**$47,761**	**$743,452**	**$791,213**	**96.5%**	**$83.12**	**$88.46**
Avg PEPM Enrollment	**745**							
	Runout Claims Paid 7/2019 to 6/2020			**$25,540**				
	Totals with Runout			**$768,993**	**$816,753**	**99.8%**	**$85.98**	**$91.32**

Admin Fees	Employee
Administration	$5.34

Claim Expenses	
Estimated Claim Factor	$86.13

Premium Equivalent Rates		
EE	EE + 1	Family
$38.48	$76.26	$123.54



City of Surprise
MetLife Dental Claims
Plan Year: July 2019 to June 2020 (as of September 2019)

Annual Cost Comparison Analysis 2018/2019 vs. 2019/2020

Cost Categories	2018/2019 Costs with Runout	PEPM Costs	2019/2020 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Dental Claims*	$768,993	$85.98	$777,616	$83.65	1.1%	$8,623	-2.7%	($2.33)
Admin Fees	$47,761	$5.34	$32,988	$3.55	-30.9%	($14,773)	-33.5%	($1.79)
Total Costs	**$816,753**	**$91.32**	**$810,604**	**$87.20**	**-0.8%**	**($6,150)**	**-4.5%**	**($4.12)**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,944	9,296	3.9%	352

PEPM Total Cost History		Increase/ Decrease
2014/2015	**$75.97**	
2015/2016	**$86.13**	**13.4%**
2016/2017	**$85.96**	**-0.2%**
2017/2018	**$86.59**	**0.7%**
2018/2019	**$91.32**	**5.5%**
2019/2020	**$87.20**	**-4.5%**

*2019-20 Dental claims includes a 27% escalator load for immature claims.

Annual Cost Comparison Analysis 2017/2018 vs. 2018/2019

Cost Categories	2017/2018 Costs	PEPM Costs	2018/2019 Costs with Runout	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Dental Claims	$712,298	$81.74	$768,993	$85.98	8.0%	$56,694	5.2%	$4.24
Admin Fees	$42,263	$4.85	$47,761	$5.34	13.0%	$5,498	10.1%	$0.49
Total Costs	**$754,561**	**$86.59**	**$816,753**	**$91.32**	**8.2%**	**$62,192**	**5.5%**	**$4.73**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,714	8,944	2.6%	230

Vision Reports

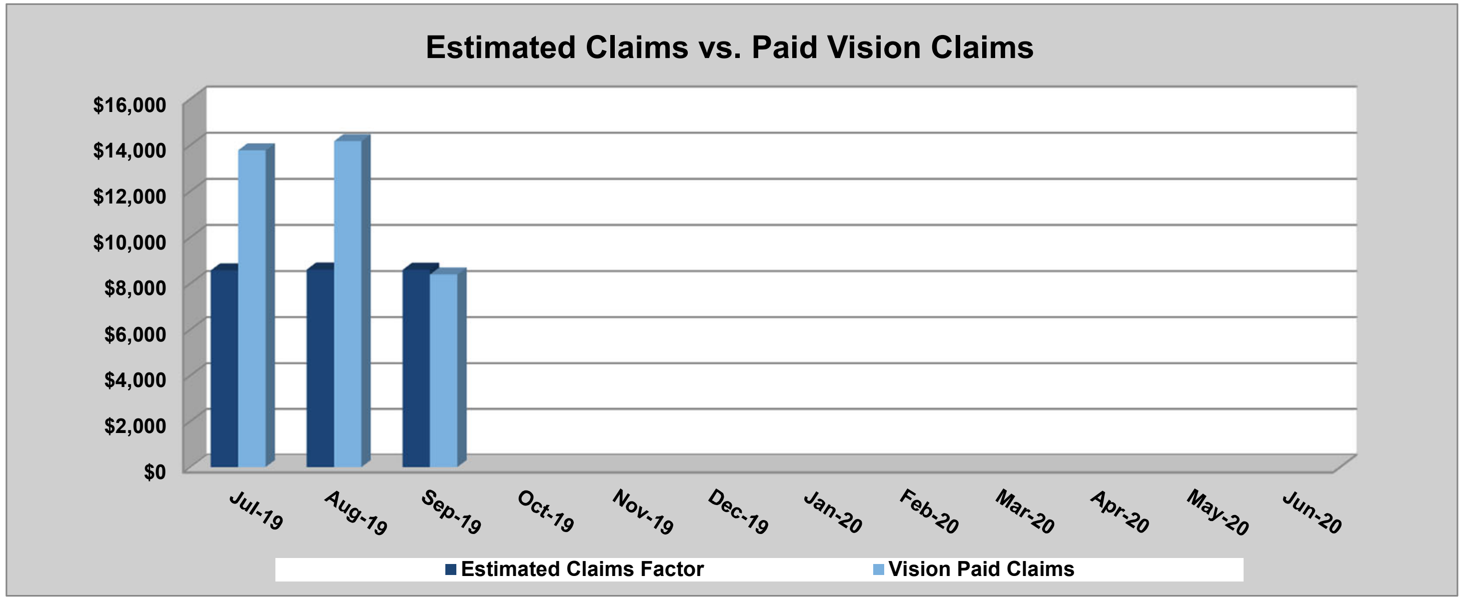
City of Surprise
Avesis Vision Self Funded Paid Claims
Plan Year: July 2019 to June 2020 (as of September 2019)

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-19	765	$8,568	$727	$13,776	$14,503	160.8%	$18.01	$18.96
Aug-19	768	$8,602	$730	$14,172	$14,901	164.8%	$18.45	$19.40
Sep-19	767	$8,590	$729	$8,388	$9,116	97.6%	$10.94	$11.89
Oct-19								
Nov-19								
Dec-19								
Jan-20								
Feb-20								
Mar-20								
Apr-20								
May-20								
Jun-20								
Total	**2,300**	**$25,760**	**$2,185**	**$36,335**	**$38,520**	**141.1%**	**$15.80**	**$16.75**
Avg Enrollment	**767**							

Admin Fees	Employee
Administration	$0.95

Claim Expenses	
Estimated Claim Factor	$11.20

Premium Equivalent Rates	
EE	Family
$5.16	$14.61



City of Surprise

Avesis Vision Self Funded Paid Claims

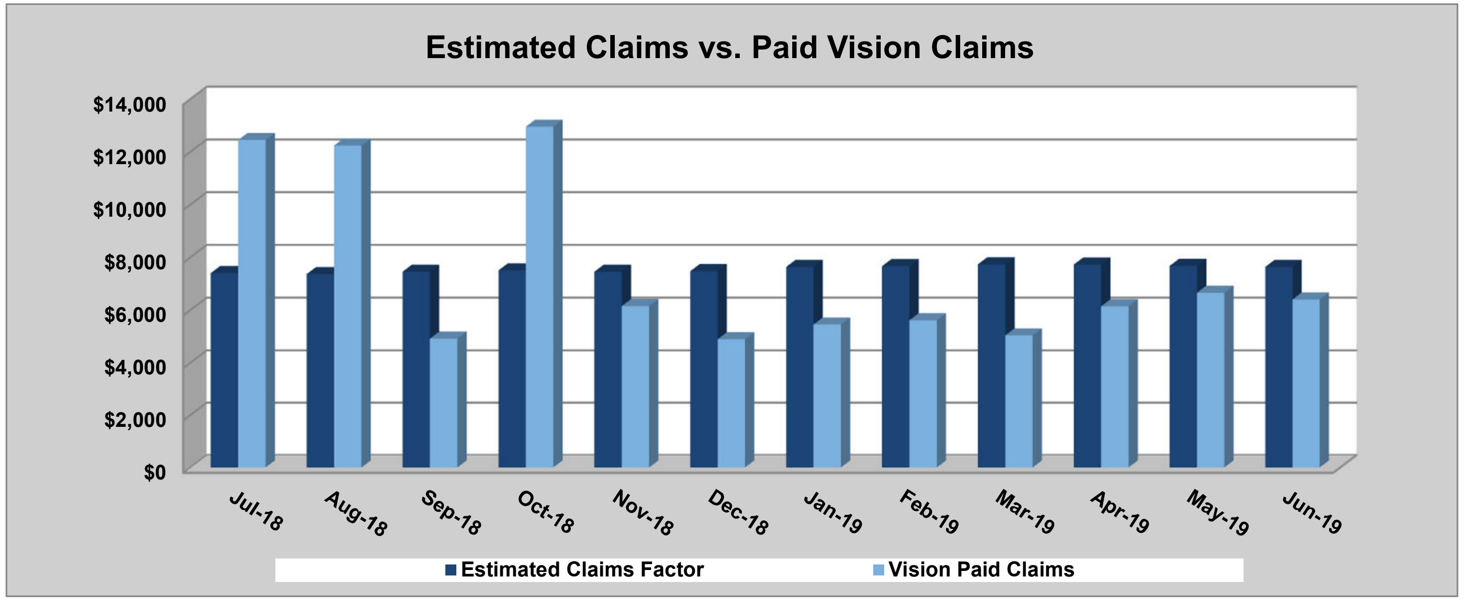
Plan Year: July 2018 to June 2019

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-18	736	$7,404	$702	$12,450	$13,152	168.1%	$16.92	$17.87
Aug-18	732	$7,364	$695	$12,241	$12,936	166.2%	$16.72	$17.67
Sep-18	741	$7,454	$713	$4,917	$5,630	66.0%	$6.64	$7.60
Oct-18	746	$7,505	$709	$12,958	$13,666	172.7%	$17.37	$18.32
Nov-18	741	$7,454	$704	$6,150	$6,853	82.5%	$8.30	$9.25
Dec-18	743	$7,475	$706	$4,891	$5,596	65.4%	$6.58	$7.53
Jan-19	759	$7,636	$721	$5,451	$6,172	71.4%	$7.18	$8.13
Feb-19	762	$7,666	$724	$5,612	$6,335	73.2%	$7.36	$8.31
Mar-19	769	$7,736	$731	$5,039	$5,769	65.1%	$6.55	$7.50
Apr-19	768	$7,726	$730	$6,142	$6,871	79.5%	$8.00	$8.95
May-19	763	$7,676	$725	$6,659	$7,384	86.8%	$8.73	$9.68
Jun-19	759	$7,636	$721	$6,403	$7,124	83.9%	$8.44	$9.39
Total	**9,019**	**$90,731**	**$8,579**	**$88,909**	**$97,488**	**98.0%**	**$9.86**	**$10.81**
Avg Enrollment	**752**							

Admin Fees	Employee
Administration	$0.95

Claim Expenses	
Estimated Claim Factor	$10.06

Premium Equivalent Rates	
EE	Family
$4.98	$14.10



City of Surprise
Avesis Vision Claims
Plan Year: July 2019 to June 2020 (as of September 2019)

Annual Cost Comparison Analysis 2018/2019 vs. 2019/2020

Cost Categories	2018/2019 Costs	PEPM Costs	2019/2020 Estimated Annual Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Vision Claims	$88,909	$9.86	$105,340	$11.45	18.5%	$16,432	16.2%	$1.59
Admin Fees	$8,579	$0.95	$8,740	$0.95	1.9%	$161	-0.1%	($0.00)
Total Costs	**$97,488**	**$10.81**	**$114,080**	**$12.40**	**17.0%**	**$16,592**	**14.7%**	**$1.59**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	9,019	9,200	2.0%	181

PEPM Total Cost History		Increase/ Decrease
2014/2015	**$9.09**	
2015/2016	**$10.33**	**13.6%**
2016/2017	**$10.42**	**0.9%**
2017/2018	**$10.69**	**2.6%**
2018/2019	**$10.81**	**1.1%**
2019/2020	**$12.40**	**14.7%**

Annual Cost Comparison Analysis 2017/2018 vs. 2018/2019

Cost Categories	2017/2018 Costs	PEPM Costs	2018/2019 Costs	PEPM Costs	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Vision Claims	$86,735	$9.74	$88,909	$9.86	2.5%	$2,174	1.2%	$0.12
Admin Fees	$8,460	$0.95	$8,579	$0.95	1.4%	$120	0.1%	$0.00
Total Costs	**$95,194**	**$10.69**	**$97,488**	**$10.81**	**2.4%**	**$2,294**	**1.1%**	**$0.12**

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	8,904	9,019	1.3%	115

City of Surprise PBM Summary

January 1, 2019 – September 30, 2019

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

BCBS Optum	**Modeled Projection**	**Prior Calendar Year - 2018**
$66.07	$61.67	$44.16 – Results thru March, 2018
		$54.57 – Results thru June, 2018 (includes 1st Q rebates)
		$55.73 – Results thru Sep, 2018 (includes 1st and 2nd Q rebates)
		$54.45 – Results thru Dec, 2018 (includes 1st, 2nd and 3rd Q rebates
		$50.49 – Results thru Dec, 2018 (includes 1st, 2nd, 3rd and 4th Q rebates

BCBS Optum	**Modeled Projection**	**Current Calendar Year – 2019***
		$68.70 – Results thru March, 2019 (includes no rebates) $53.84 with estimated rebates
		$56.32 – Results thru June, 2019 (includes 1st Q Rebate $120,916)
		$53.35 – Results thru September, 2019 (includes 1st & 2nd Q Rebates)

Your PMPM trend continues to be lower than the overall Optum book of business.

Projected Rebates (CY 19 - 12 months) - $451,000

Projected Rebates Per Quarter - $112,000

Actual Rebate 1st Q 2019 = $120,916

Actual Rebate 2nd Q 2019 = $120,494

Changes in utilization that are unexpected may result in a variance against targets.

**Does not include $53,710 paid in May, 2019 for pricing performance guarantees.*

CITY OF SURPRISE
Health Benefit Trust Fund Board Meeting

Council Meeting Date: December 4, 2019

Contact Person: Nick Sarpy, ACCOUNTING MGR

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

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

Agenda Wording:

Presentation and discussion pertaining to the City's unaudited Employee Healthcare and Workers' Compensation Self Insurance Funds Financial Report for FY2020 1st Quarter.

Motion:

None; Presentation and discussion only

Background:

Staff will be presenting the city's unaudited Employee Healthcare Self Insurance Fund and Workers' Compensation Fund financial report for FY2020 1st Quarter. This report contains unaudited financial activity through September 30, 2019 for the Employee Healthcare Self Insurance Fund and the Workers' Compensation Fund.

Objective Analysis:

Policy Compliant:

Financial Impact:

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

Budget Impact:

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

FTE Impact:

ATTACHMENTS:

1. 1st Quarter Self Insurance Fund120319

City of Surprise, Arizona
Employee Healthcare Self Insurance Fund and Workers' Compensation Fund
September 30, 2019

		Employee Healthcare Trust Fund		Worker's Compensation Trust Fund
ASSETS				
Current assets:				
Cash and investments	$	7,207,213	$	1,737,458
Other Receivables		112,000		-
Prepaid services		3,321		-
Total current assets		7,322,534		1,737,458
Noncurrent assets:				
Net OPEB asset		273		187
Total noncurrent assets		273		187
Total assets		7,322,807		1,737,645
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension related		17,654		12,123
Deferred outflows of resources - OPEB related		1,111		763
Total deferred outflows of resources		18,765		12,886
Total assets and deferred outflows of resources		7,341,572		1,750,531
LIABILITIES				
Current liabilities:				
Accounts payable		-		3,703
Accrued payroll and benefits		1,821		1,741
Compensated absences payable, due in less than one year		-		1,763
Claims payable		-		-
Claims - incurred but not reported (IBNR)		794,325		158,765
Total current liabilities		796,146		165,972
Noncurrent liabilities:				
Compensated absences payable, greater than one year		-		2,537
Net pension liability		103,773		71,259
Net OPEB liability		390		268
Total noncurrent liabilities		104,163		74,064
Total liabilities		900,309		240,036
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension related		12,268		8,425
Deferred inflow of resources - OPEB related		834		573
Total deferred inflows of resources		13,102		8,998
Total liabilities and deferred inflows of resources		913,411		249,034
NET POSITION				
Restricted for:				
Committed - Industrial Commission Reserve		-		1,500,000
Committed - Adverse Claims Contingency Reserve		2,966,836		-
Unrestricted		3,461,325		1,497
Total net position	$	6,428,161	$	1,501,497

City of Surprise, Arizona - Employee Healthcare Self Insurance Fund
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual
For the quarter ended September 30, 2019

	FY2020 First Quarter Budget	FY 2020 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
Employee Contributions				
Medical	$ 602,193	$ 608,914	$ 6,721	0.3%
Dental	57,062	123,775	66,713	28.9%
Vision	6,808	9,006	2,198	8.1%
City Contributions				
Medical	2,045,644	2,415,809	370,165	4.5%
Dental	153,886	92,142	(61,744)	(9.9%)
Vision	20,180	27,668	7,488	9.2%
Cobra contributions	12,849	29,759	16,910	23.3%
Subrogation recovery	-	35,569	35,569	-
Wellness reimbursement	9,500	-	(9,500)	(25.0%)
Pharmacy rebate	-	-	-	0.0%
Premium holiday	100,000	5,000	(95,000)	(95.0%)
Interest revenue	-	19,466	19,466	-
Total operating revenues	3,008,122	3,367,108	358,986	-
OPERATING EXPENSES				
Personnel (Wages/Benefits)	26,693	29,596	(2,903)	(2.6%)
Wellness		2,342	(2,342)	-
Work/life balance	635	-	635	15.1%
Physical & nutritional well being	6,500	-	6,500	25.0%
Preventative Well-Being	2,325	-	2,325	25.0%
Books & subscriptions	-	-	-	-
Special event hosting	-	-	-	0.0%
Administration				
Medical	171,278	184,849	(13,571)	(3.2%)
Medical stop loss	216,976	293,152	(76,176)	(11.7%)
Dental	10,547	11,401	(854)	(2.7%)
Vision	2,799	2,908	(109)	(1.3%)
Claims				
Medical	1,456,968	2,254,994	(798,026)	(10.3%)
Pharmacy	463,150	442,168	20,982	1.1%
Dental	159,517	193,368	(33,851)	(4.1%)
Vision	26,996	36,335	(9,339)	(9.4%)
Professional outside services	19,929	23,883	(3,954)	(5.4%)
Travel & training	4,812	2,331	2,481	49.6%
Dues & membership	564	433	131	13.1%
Limited purpose flex spending	3,766	4,571	(805)	(8.0%)
Federal medical insurance fees	-	-	-	-
Total operating expenses	2,573,456	3,482,331	(908,875)	-
Change in net position	$ 434,666	$ (115,223)	$ (549,889)	

City of Surprise, Arizona - Workers' Compensation
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual
For the quarter ended September 30, 2019

	FY2020 First Quarter Budget	FY2020 Actual	Variance favorable (unfavorable)	% Variance
OPERATING REVENUES				
City Contributions				
Worker's comp	$ 254,275	$ 229,987	$ (24,288)	-2.39%
Subrogation recovery	-	3,585	3,585	-
Interest revenue	-	7,922	7,922	-
Total operating revenues	254,275	241,494	(12,781)	-1.26%
OPERATING EXPENSES				
Personnel (Wages/Benefits)	21,325	26,400	(5,075)	-5.95%
Administration	170,000	176,078	(6,078)	-3.58%
Claims				
Claim Settlement	47,646	31,513	16,133	3.80%
Software license	-	-	-	0.00%
Other professional services	28,469	31,750	(3,281)	-9.11%
Total operating expenses	267,440	265,741	1,699	0.23%
Operating income (loss)	(13,165)	(24,247)	(14,480)	
Income (loss) before contributions and transfers	(13,165)	(24,247)	(6,078)	-2.27%
Transfers in	-	10,000	10,000	-
Change in net position	$ (13,165)	$ (14,247)	$ (1,082)	

Employee Health Care Activity

Claims History By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2017	2,204,559	2,264,867	2,279,337	2,399,667	9,148,430
2018	2,291,479	1,718,879	2,406,320	3,150,781	9,567,459
2019	3,087,680	2,846,207	2,532,388	2,694,959	11,161,234
2020	2,926,865				2,926,865

Net Income (loss) By Quarter

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2017	220,138	114,900	181,472	299,561	816,071
2018	303,160	921,525	249,104	(335,885)	1,137,904
2019	(405,664)	(110,601)	533,198	586,984	603,917
2020	(115,223)				(115,223)

Stop Loss Credits

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2017	82,468	2,704	57,925	84,505	227,602
2018	184,073	325	463	9,762	194,623
2019	81,233	166,349	41,167	261,062	549,811
2020	-				-

CITY OF SURPRISE
Health Benefit Trust Fund Board Meeting

Council Meeting Date: December 4, 2019

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations:

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

Agenda Wording:

Consideration and action pertaining to the Health Benefit Trust Fund Board Annual Calendar for 2020.

Motion:

I move to approve the Health Benefits Trust Fund Board Annual Calendar for 2020.

(Or, if amended) - I move to approve the Health Benefits Trust Fund Board Annual Calendar for 2020, as amended.

Background:

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

Objective Analysis:

Policy Compliant:

Financial Impact:

No financial impact.

Budget Impact:

No financial impact.

FTE Impact:

ATTACHMENTS:

1. HBTF PROPOSED CALENDAR - 2020 schedule

CITY OF SURPRISE

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

2020 Meeting Calendar
Proposed

Health Benefits Trust Fund Board Meetings

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

Regular Meetings

February 26, 2020	**3:30 pm**
June 3, 2020	**4:00 pm**
August 26, 2020	**4:00 pm**
December 2, 2020	**4:00 pm**

Special Meeting - March 11, 2020

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

CITY OF SURPRISE
Health Benefit Trust Fund Board Meeting

Council Meeting Date: December 4, 2019
Submitting Department: Finance
Staff Recommendations:

Contact Person:
District: Citywide

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

Agenda Wording:
Consideration and action pertaining to placing items on a future agenda.

Motion:
Discussion only.

Background:
This item provides the opportunity for the board to have an open discussion on items to be placed on future agendas. Items are also added by the staff as needed based on citizen, board, council, and administrative requests.

Objective Analysis:

Policy Compliant:

Financial Impact:
None

Budget Impact:
None
FTE Impact:

ATTACHMENTS: