

Semi-Annual Health Plan Financial Report

Finance and Administration Committee
November 15, 2022

Overview

- Reports health plan financial performance as of June 30, 2022
- Covers 4 self-funded PPO plans and 10 flex-funded HMO plans
- Applies Health Care Fund Reserve Policy adopted fall 2018
- Basic PPO financial performance: January-June 2022

Health Care Fund Status as of June 30, 2022

(in millions)	Estimated Health Care Fund Balance 6/30/22	Estimated Claims Liability (HMO) and Actuarial Reserves (PPO) 6/30/22	Estimated Surplus (Deficit) 6/30/22
Total HMO Basic	\$178	(\$151)	\$27
PPO Medicare	\$94	(\$121)	(\$27)
PPO Basic	\$205	(\$538)	(\$333)
Total PPO	\$299	(\$659)*	(\$360)

* \$325 is estimated claims liability; \$334 is required reserves

Basic PPO Estimated Surplus/(Deficit) as of June 30, 2022

(in millions)	Estimated Surplus (Deficit)
Beginning Surplus/(Deficit) as of 12/31/21	(\$292)
<u>Surplus/(Deficit) Activities Jan – Jun 2022</u>	
Medical	\$25
Pharmacy	(\$16)
Investment	(\$50)
Increase/(Decrease) in Basic PPO Surplus/(Deficit) first six months of 2022	(\$41)
Ending Surplus/(Deficit) as of 6/30/22	(\$333)

Addressing the Deficit



Premium surcharge
approved to restore
the fund



New PBM contract
and Rx purchasing
strategies



PPO Strategic
Alignment Project to
help mitigate future
PPO costs