PPO PERSCare Plan 2020 Premiums and Use of Surplus Reserves

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Background: PPO Surplus Reserves



Health Care Fund Reserve Policy



Previous Use of Surplus Reserves



Total PPO Health Care Fund (HCF) Balance (as of December 31, 2018)* \$585 M

Total PPO Surplus \$84 M **Medical Reserve** Total PPO Reserve** **Pharmacy Reserve** \$ 116 M \$ 501 M \$ 385 M Risk Based Capital Reserve \$243 M Risk Based Capital Reserve \$161 M Risk Based Capital IBNR and Other Reserve IBNR and Other Reserve Reserve*** \$82 M \$ 224 M \$258 M IBNR and Other Reserve \$ 34 M

Notes:

^{*} Total PPO Health Care Fund Balance includes projected assets and liabilities maintained in the HCF, Surplus Money Investment Fund (SMIF) and State Street Investment Account. 3

^{**} Total PPO Reserve is the Sum of the Medical and Pharmacy RBC, IBNR and Other Reserves

^{***}Other Reserve includes Continuity of Care Liability and Administrative Liability, Claim Liability, Continuity of Care Liability and Administrative Liability.

Preliminary 2020 PERSCare Premium without Spend Down

PPO Basic	2019 Single-Party Premium *	Projected 2020 Single-Party Premium without Spend Down	Percentage Change
PERSCare	\$ 929.89	\$ 1,151.82	23.9%

Notes:

Preliminary 2020 PERSCare Premium with \$44 M Spend Down

PPO Basic	2019 Single-Party Premium *	Projected 2020 Single-Party Premium with Spend Down	Percentage Change
PERSCare	\$ 929.89	\$ 1,017.20	9.4%

Notes:

* 2019 Single-Party Premium reflects the 2019 premium smoothing.



^{* 2019} Single-Party Premium reflects the 2019 premium smoothing.

Next Steps



Decision on PERSCare premium spend down



Approve 2020 PPO rates in June



Open Enrollment in September



Evaluate future considerations for PERSCare and PERS Choice plans

