

Semi-Annual Health Plan Financial Report

Finance and Administration Committee
April 14, 2025

Overview

- Reports health plan financial performance as of December 31, 2024
- Covers 4 self-funded PPO plans and 10 flex-funded HMO plans
- Applies Health Care Fund Reserve Policy
- PPO Basic financial performance: Calendar Year 2024
- PPO Medicare financial performance: Calendar Year 2024

Health Care Fund Status as of December 31, 2024

	Estimated Health Care Fund Balance 12/31/2024	Estimated Claims Liability (HMO) and Actuarial Reserves (PPO) 12/31/2024	Estimated Surplus (Deficit) 12/31/2024
(in millions)			
Total HMO Basic	\$245	(\$97)	\$148
PPO Medicare	\$5	(\$157)	(\$152)
PPO Basic	\$245	(\$604)	(\$359)
Total PPO	\$250	(\$761)*	(\$511)
* \$393 is estimated claims liability; \$368 is required reserves			

PPO Basic Estimated Surplus/(Deficit) as of December 31, 2024

(in millions)	Estimated Surplus/(Deficit)
Surplus/(Deficit) as of 12/31/2023 as Reported at April 2024 FAC	(\$558)
Updated Claims Run-Out	\$35
Updated Surplus/(Deficit) as of 12/31/2023	(\$523)
<u>Surplus/(Deficit) Activities Jan – Dec 2024</u>	
Medical	\$93
Pharmacy	(\$39)
2024 Premium Surcharge	\$110
Increase/(Decrease) in Basic PPO Surplus/(Deficit)	\$164
Surplus/(Deficit) as of 12/31/2024	(\$359)

PPO Medicare Estimated Surplus/(Deficit) as of December 31, 2024

(in millions)	Estimated Surplus/(Deficit)
Surplus/(Deficit) as of 12/31/2023 as Reported at April 2024 FAC	(\$107)
Updated Claims Run-Out	(\$3)
Updated Surplus/(Deficit) as of 12/31/2023	(\$110)
<u>Surplus/(Deficit) Activities Jan –Dec 2024</u>	
Medical	(\$26)
Pharmacy	(\$16)
Increase/(Decrease) in Basic PPO Surplus/(Deficit)	(\$42)
Surplus/(Deficit) as of 12/31/2024	(\$152)

Addressing the Deficit



Premium surcharge
in place to restore
the fund



Incorporated
financial
performance
guarantees into
2025-2029 PPO
contracts



Explore pharmacy
savings options in
the next pharmacy
contracts