

Semi-Annual Health Plan Financial Report

Finance and Administration Committee
November 14, 2023

Overview

- Reports health plan financial performance as of June 30, 2023
- Covers 4 self-funded PPO plans and 10 flex-funded HMO plans
- Applies Health Care Fund Reserve Policy
- PPO Basic financial performance: January-June 2023

Health Care Fund Status as of June 30, 2023

(in millions)	Estimated Health Care Fund Balance 6/30/2023	Estimated Claims Liability (HMO) and Actuarial Reserves (PPO) 6/30/2023	Estimated Surplus (Deficit) 6/30/2023
Total HMO Basic	\$217	(\$178)	\$39
PPO Medicare	\$75	(\$137)	(\$62)
PPO Basic	\$177	(\$533)	(\$356)
Total PPO	\$252	(\$670)*	(\$418)
* \$321 is estimated claims liability; \$349 is required reserves			

PPO Basic Estimated Surplus/(Deficit) as of June 30, 2023

(in millions)	Estimated Surplus/(Deficit)
Surplus/(Deficit) as of 12/31/22 as Reported at June 2023 FAC	(\$437)
Updated Claims Run-Out	\$18
Updated Surplus/(Deficit) as of 12/31/22	(\$419)
<u>Surplus/(Deficit) Activities Jan – Jun 2023</u>	
Medical	\$61
Pharmacy	(\$28)
2023 Premium Surcharge	\$27
Investment	\$3
Increase/(Decrease) in Basic PPO Surplus/(Deficit)	\$63
Surplus/(Deficit) as of 6/30/2023	(\$356)

Addressing the Deficit



Premium surcharge
approved to restore
the fund



Incorporate longer-
term solutions into
2025-2029 PPO
Contract Solicitation