

# Semi-Annual Health Plan Financial Report

Finance and Administration Committee  
November 19, 2024

## Overview

- Reports health plan financial performance as of June 30, 2024
- Covers 4 self-funded PPO plans and 10 flex-funded HMO plans
- Applies Health Care Fund Reserve Policy
- PPO Basic financial performance: January through June 2024
- PPO Medicare financial performance: January through June 2024

# Health Care Fund Status as of June 30, 2024

(in millions)	Estimated Health Care Fund Balance 6/30/2024	Estimated Claims Liability (HMO) and Actuarial Reserves (PPO) 6/30/2024	Estimated Surplus (Deficit) 6/30/2024
Total HMO Basic	\$244	(\$106)	\$138
PPO Medicare	(\$9)	(\$149)	(\$158)
PPO Basic	\$240	(\$603)	(\$363)
Total PPO	\$231	(\$752)*	(\$521)
* \$386 is estimated claims liability; \$366 is required reserves			

## PPO Basic Estimated Surplus/(Deficit) as of June 30, 2024

(in millions)	Estimated Surplus/(Deficit)
<b>Surplus/(Deficit) as of 12/31/2023 as Reported at April 2024 FAC</b>	<b>(\$558)</b>
Updated Claims Run-Out	<b>\$33</b>
<b>Updated Surplus/(Deficit) as of 12/31/2023</b>	<b>(\$525)</b>
<u>Surplus/(Deficit) Activities Jan – Jun 2024</u>	
Medical	\$104
Pharmacy	\$4
2024 Premium Surcharge	\$54
Investment	\$0
<b>Increase/(Decrease) in Basic PPO Surplus/(Deficit)</b>	<b>\$162</b>
<b>Surplus/(Deficit) as of 6/30/2024</b>	<b>(\$363)</b>

## PPO Medicare Estimated Surplus/(Deficit) as of June 30, 2024

(in millions)	Estimated Surplus/(Deficit)
<b>Surplus/(Deficit) as of 12/31/2023 as Reported at April 2024 FAC</b>	<b>(\$107)</b>
Updated Claims Run-Out	\$1
<b>Updated Surplus/(Deficit) as of 12/31/2023</b>	<b>(\$106)</b>
<u>Surplus/(Deficit) Activities Jan – Jun 2024</u>	
Medical	(\$19)
Pharmacy	(\$32)
Investment	\$0
<b>Increase/(Decrease) in Basic PPO Surplus/(Deficit)</b>	<b>(\$51)</b>
<b>Surplus/(Deficit) as of 6/30/2024</b>	<b>(\$157)</b>

# 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