

Attachment A1 - Blue Shield Plan Active Employees

BLUE SHIELD EPO Low Option	2018 Monthly Medical Premium*
Employee Only	\$763.25
Employee with 1 Dependent	\$1,411.25
Employee with Two or more dependents	\$2,217.25
BLUE SHIELD EPO High Option	2018 Monthly Medical Premium*
Employee Only	\$884.25
Employee with 1 Dependent	\$1,636.25
Employee with Two or more dependents	\$2,570.25
BLUE SHIELD PPO	2018 Monthly Medical Premium*
Employee Only	\$1,165.25
Employee with 1 Dependent	\$2,153.25
Employee with Two or more dependents	\$3,386.25
BLUE SHIELD HDHP	2018 Monthly Medical Premium*
Employee Only	\$665.25
Employee with 1 Dependent	\$1,191.25
Employee with Two or more dependents	\$1,873.25

Attachment A 2 - Early Retiree Plan (with and without Medicare Dependents)

Non-Medicare (NMC) Retiree with Non-Medicare Dependents

BLUE SHIELD EPO Low Option	2018 Monthly Medical Premium*
NMC Retiree only	\$1,469.25
NMC Retiree + NMC dep	\$2,719.25
NMC Retiree + 2 or more NMC deps	\$4,269.25
BLUE SHIELD EPO High Option	2018 Monthly Medical Premium*
NMC Retiree only	\$1,703.25
NMC Retiree + NMC dep	\$3,152.25
NMC Retiree + 2 or more NMC deps	\$4,949.25
BLUE SHIELD PPO	2018 Monthly Medical Premium*
NMC Retiree only	\$1,498.25
NMC Retiree + NMC dep	\$2,769.25
NMC Retiree + 2 or more NMC deps	\$4,355.25
BLUE SHIELD HDHP	2018 Monthly Medical Premium*
NMC Retiree only	\$1,147.25
NMC Retiree + NMC dep	\$2,121.25
NMC Retiree + 2 or more NMC deps	\$3,334.25

Non-Medicare Retiree with Medicare (MC) Dependents

BLUE SHIELD EPO Low Option	2018 Monthly Medical Premium*
NMC Retiree + 1 MC dep	\$2,257.25
NMC Retiree + 2 MC deps	\$3,507.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$3,042.25
BLUE SHIELD EPO High Option	2018 Monthly Medical Premium*
NMC Retiree + 1 MC dep	\$2,514.25
NMC Retiree + 2 MC deps	\$3,963.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$3,325.25
BLUE SHIELD PPO	2018 Monthly Medical Premium*
NMC Retiree + 1 MC dep	\$2,388.25
NMC Retiree + 2 MC deps	\$3,659.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$3,282.25
BLUE SHIELD HDHP	2018 Monthly Medical Premium*
NMC Retiree + 1 MC dep	\$2,050.25
NMC Retiree + 2 MC deps	\$3,024.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$2,954.25

Attachment A 3 - Post 65 Retiree Blue Shield Monthly Medical Plans

Medicare Retiree with Non-Medicare Dependents

BLUE SHIELD EPO Low Option	2018 Monthly Medical Premium*
MC Retiree Only	\$785.25
MC Retiree + 1 NMC dep	\$2,035.25
MC Retiree + 2 NMC deps	\$3,585.25
MC Retiree + 1 MC dep + 1 NMC dep	\$2,823.25
BLUE SHIELD EPO High Option	2018 Monthly Medical Premium*
MC Retiree Only	\$811.25
MC Retiree + 1 NMC dep	\$2,260.25
MC Retiree + 2 NMC deps	\$4,057.25
MC Retiree + 1 MC dep + 1 NMC dep	\$3,071.25
BLUE SHIELD PPO	2018 Monthly Medical Premium*
MC Retiree Only	\$894.25
MC Retiree + 1 NMC dep	\$2,165.25
MC Retiree + 2 NMC deps	\$3,751.25
MC Retiree + 1 MC dep + 1 NMC dep	\$3,055.25
BLUE SHIELD HDHP	2018 Monthly Medical Premium*
MC Retiree Only	\$904.25
MC Retiree + 1 NMC dep	\$1,878.25
MC Retiree + 2 NMC deps	\$3,091.25
MC Retiree + 1 MC dep + 1 NMC dep	\$2,781.25

Medicare Retiree with Medicare Dependents

BLUE SHIELD EPO Low Option	2018 Monthly Medical Premium*
MC Retiree + 1 MC dep	\$1,573.25
MC Retiree + 2 MC deps	\$2,358.25
BLUE SHIELD EPO High Option	2018 Monthly Medical Premium*
MC Retiree + 1 MC dep	\$1,622.25
MC Retiree + 2 MC deps	\$2,433.25
BLUE SHIELD PPO	2018 Monthly Medical Premium*
MC Retiree + 1 MC dep	\$1,784.25
MC Retiree + 2 MC deps	\$2,677.25
BLUE SHIELD HDHP	2018 Monthly Medical Premium*
MC Retiree + 1 MC dep	\$1,807.25
MC Retiree + 2 MC deps	\$2,711.25

Attachment A 4 - Post 65 Retiree Blue Shield Monthly Medical Plans

Medicare Retiree with Non-Medicare Dependents (with EGWP PDP)

BLUE SHIELD EPO Low Option + EGWP PDP	2018 Monthly Medical Premium*
MC Retiree Only	\$706.25
MC Retiree + 1 NMC dep	\$1,956.25
NMC Retiree + 1 MC dep	\$1,956.25
MC Retiree + 2 NMC deps	\$3,506.25
NMC Retiree + 1 MC dep + 1 NMC dep*	\$3,506.25
MC Retiree + 1 MC dep + 1 NMC dep*	\$2,662.25
BLUE SHIELD EPO High Option + EGWP PDP	2018 Monthly Medical Premium*
MC Retiree Only	\$732.25
MC Retiree + 1 NMC dep	\$2,181.25
NMC Retiree + 1 MC dep	\$2,181.25
MC Retiree + 2 NMC deps	\$3,978.25
NMC Retiree + 1 MC dep + 1 NMC dep*	\$3,978.25
MC Retiree + 1 MC dep + 1 NMC dep*	\$2,913.25
BLUE SHIELD PPO + EGWP PDP	2018 Monthly Medical Premium*
MC Retiree Only	\$815.25
MC Retiree + 1 NMC dep	\$2,086.25
NMC Retiree + 1 MC dep	\$2,086.25
MC Retiree + 2 NMC deps	\$3,672.25
NMC Retiree + 1 MC dep + 1 NMC dep*	\$3,672.25
MC Retiree + 1 MC dep + 1 NMC dep*	\$2,901.25

Medicare Retiree with Medicare Dependents (with EGWP PDP)

BLUE SHIELD EPO Low Option	2018 Monthly Medical Premium*
MC Retiree + 1 MC dep*	\$1,411.25
MC Retiree + 2 MC deps*	\$2,118.25
BLUE SHIELD EPO High Option	2018 Monthly Medical Premium*
MC Retiree + 1 MC dep*	\$1,463.25
MC Retiree + 2 MC deps*	\$2,195.25
BLUE SHIELD PPO	2018 Monthly Medical Premium*
MC Retiree + 1 MC dep*	\$1,630.25
MC Retiree + 2 MC deps*	\$2,445.25

Active Employee Monthly Premium Rates

KAISER HMO LOW	2018 Monthly Medical Premium*
Employee Only	\$559.25
Employee with 1 Dependent	\$1,051.25
Employee with Two or more dependents	\$1,597.25
KAISER HMO HIGH	2018 Monthly Medical Premium*
Employee Only	\$580.25
Employee with 1 Dependent	\$1,089.25
Employee with Two or more dependents	\$1,656.25

Early Retiree Monthly Premium Rates**Non-Medicare (NMC) Retiree with Non-Medicare Dependents**

KAISER HMO LOW	2018 Monthly Medical Premium*
NMC Retiree only	\$816.25
NMC Retiree + NMC dep	\$1,538.25
NMC Retiree + 2 or more NMC deps	\$2,341.25
KAISER HMO HIGH	2018 Monthly Medical Premium*
NMC Retiree only	\$849.25
NMC Retiree + NMC dep	\$1,601.25
NMC Retiree + 2 or more NMC deps	\$2,437.25

Non-Medicare Retiree with Medicare (MC) Dependents

KAISER HMO LOW	2018 Monthly Medical Premium*
NMC Retiree only	\$816.25
NMC Retiree + MC dep	\$902.25
NMC Retiree + 2 MC deps	\$1,150.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$1,705.25
KAISER HMO HIGH	2018 Monthly Medical Premium*
NMC Retiree only	\$849.25
NMC Retiree + MC dep	\$958.25
NMC Retiree + 2 MC deps	\$1,237.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$1,794.25

Post 65 Monthly Premium Rates**Medicare Retiree with Non-Medicare Dependents**

KAISER SENIOR ADVANTAGE HMO Low	2018 Monthly Medical Premium*
MC Retiree Only	\$180.25
MC Retiree + 1 NMC dep	\$902.25
MC Retiree + 2 NMC deps	\$1,705.25
MC Retiree + 1 MC dep + 1 NMC dep	\$1,150.25
KAISER SENIOR ADVANTAGE HMO High	2018 Monthly Medical Premium*
MC Retiree Only	\$206.25
MC Retiree + 1 NMC dep	\$958.25
MC Retiree + 2 NMC deps	\$1,794.25
MC Retiree + 1 MC dep + 1 NMC dep	\$1,237.25

Medicare Retiree with Medicare Dependents

KAISER SENIOR ADVANTAGE HMO Low	2018 Monthly Medical Premium*
MC Retiree + 1 MC dep	\$347.25
MC Retiree + 2 MC deps	\$540.25
KAISER SENIOR ADVANTAGE HMO High	2018 Monthly Medical Premium*
MC Retiree + 1 MC dep	\$401.25
MC Retiree + 2 MC deps	\$618.25



David E. Turner, FSA

3000-F Danville Blvd., #156, Alamo CA 94507

Phone/fax toll-free: (877) 496-1782

dturner@tcbenefits.com www.tcbenefits.com

August 18, 2017

Ms. Maya Barraza
 Santa Barbara County
 1226 Anacapa St.
 Santa Barbara, CA 93101

RE: Actuarial Report - Dental IBNR and Claim Fluctuation Margin

Dear Maya:

This letter will recommend appropriate levels of reserves for the Santa Barbara County self-funded dental program for both Incurred But Not Reported (IBNR) and claims fluctuation margin based on actuarial analysis.

Background

The County participates in a self-funded EIA-sponsored pool, with the County's claims, rates, and reserves established independently from the pool.

Analysis of Reserves for IBNR Claims

Reserves for IBNR claims reflect the liability for claims incurred but not yet paid due to normal billing, submission, and processing delays. In the event of self-funded plan termination, this IBNR liability would be funded by the plan and would be covered by funds set aside during pre-termination operations. Normally, this reserve is less than 1 month of average actual dental claims and administrative expenses, depending on the TPA's processing patterns. Estimated reserves for IBNR claims for the Santa Barbara County Dental Program are as follows:

	IBNR	% of Paid Claims
As of 7/31/17	\$157,348	6.8%

Our analysis uses completion factor methodology. This approach applies completion factors (the estimated percentage of claims incurred and paid after 1 month, 2 months, 3 months, etc.), developed over the most recent 6 months of data, to claim lag data to calculate estimated incurred claims for each month during the prior year. This is a standard actuarial methodology that is well known throughout the health and welfare industry.

Claim Fluctuation Margin

Claim fluctuation margin is an optional but highly recommended reserve that enables self-funded plans to manage unfavorable claim years through the use of funds set aside for random claim fluctuation. The amount of this reserve is usually defined by a confidence level such as 70%, 80%, 90%, etc. that quantifies the probability that claims will not exceed premium plus the specified margin in any given year. Most groups strive to fund this reserve to a 95% confidence level within 3-5 years following the commencement of operations.

The methodology used for this analysis is normally the simulation of multiple years of random claim experience. The approach defines the estimated claim level that will produce the confidence levels described above. When a group is large enough to be fully credible, its historic claim volatility is a more reasonable predictor of its future results. This is especially important if the actual volatility is higher than the simulated results.

Claim Fluctuation Margin recommendations are as follows:

Self-Funded Dental	Confidence Level				
	70%	80%	90%	95%	Other
Margin (% of claims)	6.0%	9.0%	12.0%	15.0%	20.0%
Based on \$2.31M Claims	\$138,509	\$207,764	\$277,019	\$346,274	\$461,698

The above chart shows confidence levels from 70%-95%. It also shows a slightly higher funding option that would help the plan to remain fully funded in the event of headcount growth, consecutive years of unfavorable claims, etc.

Program Financials

The following table shows the funding status for the various different options:

Self-Funded Dental	Confidence Level				
	70%	80%	90%	95%	EIA CFM%
Total Assets 6/30/17	\$1,117,556				
IBNR	\$157,348				
CFM	\$138,509	\$207,764	\$277,019	\$346,274	\$461,698
Total IBNR/CFM	\$295,857	\$365,112	\$434,367	\$503,621	\$619,046
Surplus/Deficit	\$821,699	\$752,444	\$683,189	\$613,935	\$498,510

The County maintains cash and investments sufficient to fund both IBNR and Margin. A surplus position provides the maximum flexibility in rates setting, reserving, etc.

Recommendations

Our recommendations are to:

- Establish and fund IBNR reserves as shown above
- Establish a fund a 95%+ Confidence Level Claim Fluctuation Margin Reserve as shown above.

We look forward to discussing this information with you.

Sincerely,

David E. Turner

David E. Turner, FSA
Manager
TURNER CONSULTING AND ACTUARIAL, LLC

Santa Barbara County PPO UNDERWRITING FORECAST

Proposed Effective Date January 1, 2018
 Proposed Contract Duration (Months) 12
 Most Recent Month of Data March 2017

RENEWAL PROJECTION*

Period	Period 1 Apr 1, 2015 Apr 1, 2016 12	Period 2 Apr 1, 2016 Apr 1, 2017 12
Beginning Date (Historical Data)		
End Date (Historical Data)		
Months of Data		
Current Premium / Funding Rate PEPM ¹	\$61.91	
<u>Paid Claims</u> ²		
Beginning IBNR Reserve	\$2,443,857	\$2,303,563
Ending IBNR Reserve	(\$198,688)	(\$203,655)
Incurred Claims	\$203,655	\$191,964
Historical Benefit Design Adjustment Factor	\$2,448,824	\$2,291,871
Adjusted Incurred Claims	1,000	1,000
Annual Subscriber Lives	\$2,448,824	\$2,291,871
Adjusted Incurred Claims PEPM	40,969	41,996
Annual Trend	\$59.77	\$54.57
Applied Trend Factor	2.5%	2.5%
Trended Claims PEPM	1,070	1,044
Network Change Adjustment Factor	\$63.97	\$56.98
Projected Claims PEPM	1,000	1,000
Period Blending Weight	\$63.97	\$56.98
Blended Projected Claims	0.0%	100.0%
Margin Adjustment ³	\$56.98	
Fixed Costs	\$0.00	
EIA Delta Dental Admin Fee	\$4.10	
PBIA Fee	\$0.35	
Program Management Fee / Broker Fee	\$0.00	
Total Fixed Costs	\$4.45	
Net Required Funding PEPM	\$61.44	
Required Funding Change Percentage	-0.77%	

¹Current composite funding rate is based on current period funding rates

²Paid claims are for the time period indicated at the top of each column

³Margin may be recommended in order to provide a higher likelihood that suggested funding rates are sufficient if actual claims do not adhere to projections

* Projections above are estimates and do not represent guarantees

County Self-funded Dental PPO - Delta Dental

ACTIVE EMPLOYEES	2018 Monthly Premium
Employee Only	\$42.92
Employee with 1 Dependent	\$82.47
Employee with Two or more dependents	\$126.94
EARLY RETIREES	2018 Monthly Premium
Retiree Only	\$51.17
Retiree + 1 dep	\$102.36
Retiree + 2 dep	\$153.53
POST - 65 RETIREES	2018 Monthly Premium
Retiree Only	\$51.17
Retiree + 1 dep	\$102.36
Retiree + 2 dep	\$153.53

Delta Dental DeltaCare USA DHMO

ACTIVE EMPLOYEES	2018 Monthly Premium
Employee Only	\$32.88
Employee with 1 Dependent	\$54.04
Employee with Two or more dependents	\$82.05
EARLY RETIREES	2018 Monthly Premium
Retiree Only	\$32.88
Retiree + 1 dep	\$54.04
Retiree + 2 dep	\$82.05
POST - 65 RETIREES	2018 Monthly Premium
Retiree Only	\$32.88
Retiree + 1 dep	\$54.04
Retiree + 2 dep	\$82.05

Vision Service Plan (VSP)

ACTIVE EMPLOYEES	2018 Monthly Premium
Employee Only	\$6.51
Employee with 1 Dependent	\$9.37
Employee with Two or more dependents	\$16.80
EARLY RETIREES	2018 Monthly Premium
Retiree Only	\$6.51
Retiree + 1 dep	\$9.37
Retiree + 2 dep	\$16.80
POST - 65 RETIREES	2018 Monthly Premium
Retiree Only	\$6.51
Retiree + 1 dep	\$9.37
Retiree + 2 dep	\$16.80

Attachment G - CareCounsel Healthcare Assistance Plan

Care Counsel	2018 Monthly Premium
Active employees enrolled in a health plan	\$1.95
Retirees enrolled in a health plan	\$3.25

Attachment H - United Healthcare (UHC) Medicare Risk Plan

Medicare (MC) Retiree with Non-Medicare Dependents

UHC Medicare Risk Plan HMO Low Option	2018 Monthly Medical Premium
MC Retiree only	\$347.49
UHC Medicare Risk Plan HMO High Option	2018 Monthly Medical Premium
MC Retiree only	\$577.52

Medicare (MC) Retiree with Medicare Dependents

UHC Medicare Risk Plan HMO Low Option	2018 Monthly Medical Premium
MC Retiree + 1 MC dep	\$694.98
MC Retiree + 2 MC deps	\$1,042.47
UHC Medicare Risk Plan HMO High Option	2018 Monthly Medical Premium
MC Retiree + 1 MC dep	\$1,155.04
MC Retiree + 2 MC deps	\$1,732.56

2018 County Contribution Structure for Blue Shield HDHP Health Savings Account

2018 HDHP HSA Contributions for Current or Re-enrolling	Contribution		Per Pay Period	
Employee Only County Contribution	\$	1,200.00	\$	46.15
Employee + Dependents County Contribution	\$	1,800.00	\$	69.23
Two Married County employees combined coverage **cannot exceed deductible of \$3000	\$	3,000.00	\$	115.38
2018 FIRST TIME Enrolles in HDHP HSA Contributions	Contribution in Pay Period 1-2018		Contribution Starting Pay Period 13-2018	Total County Contribution
Employee Only County Contribution	\$	600.00	\$ 46.15	\$ 1,200.00
Employee + Dependents County Contribution	\$	900.00	\$ 69.23	\$ 1,800.00
Two Married County employees combined coverage **cannot exceed deductible of \$3000	\$	1,500.00	\$ 125.00	\$ 3,000.00

Health Oversight Committee 2017

Human Resources

Barraza, Maya
Clark, Robert
MacLeod, Bob
Pisano, Joe
Pyper, Andreas
Rogers, Tracy

SBCERS

Bardakos, Rebekah
Levin, Greg

Auditor Controller

Bryne, Betsy
Schaeffer, Betsy

CEO Office

Jorgensen, Shawna

Deputy Sheriffs' Assn

McFarlin, Matt

District Attorneys' Assn

No attendee

Engineers & Technicians Assn

Buyan, Brett

Fire Fighters, Local 2046

Orr, Jason

Probation Peace Officers Assn

No attendee

Retired Employees' Assn

Cholmondeley, Zandra
Turnball, Scott

SEIU Local 620

Goena, Cynthia
Neal, Crystal

SEIU Local 721

Basgall, Wendy

Sheriffs' Manager Assn

Arnoldi, Ugo

UAPD

No attendee

CAA

No attendee

Alliant Insurance Svcs

Clardy, Ryan
Hauk, Kim
Menerey, Michael