

Health Service Board City & County of San Francisco

Contingency Reserve Fund Status Presentation

February 11, 2016

Introduction

Current policy requires a Contingency Reserve for each plan that is self-funded. A Contingency Reserve is a reserve that protects against shortfalls in funding estimates, i.e. that actual claims incurred over a plan year are higher than projected when developing premium equivalents and hence there is a shortfall between actual expense and revenues collected.

In this presentation we will review the status of the Contingency Reserve for each of the self-funded / flex-funded plans.

Fund Status

The recommended Contingency Reserve as of June 30, 2015 is as follows:

Plan	June 30, 2014	June 30, 2015	\$ Change	% Change
UHC City Plan	\$5,361,346	\$5,179,916	-\$181,430	-3%
Delta Dental of California PPO Plan	\$4,540,545	\$3,736,413	-\$804,132	-18%
Blue Shield of California Plan	\$14,128,891	\$14,928,178	\$799,287	6%
TOTAL	\$24,030,782	\$23,844,507	-\$186,275	-1%

The City Plan, Blue Shield of California and Delta Dental of California IBNR reserves are currently fully funded.

The change in contingency reserve is added into the calculation of the Claims Stabilization.

These estimates will be reset as of June 30, 2016 after the close of the fiscal year.