DATE: January 9, 2020

TO: Karen Breslin, President and Members of the Health Service Board

FROM: Pamela Levin, Chief Financial Officer

RE: Financial Report as of October 31, 2019

This report summarizes revenues and expenses of the Employee Benefit Trust Fund (Trust Fund) and the General Fund Administration Budget for the first four months of FY 2019-20, as well as fiscal year-end projections through June 30, 2020.

**Employee Benefit Trust Fund**

On June 30, 2019, the audited Trust Fund balance was $92.2 million. Based on activity through October 2019, the fund balance is projected to be $90.6 million as of June 30, 2020. The projected $1.6 million decrease includes reserves for unpaid claims and is a result of the following changes:

<table>
<thead>
<tr>
<th>Change in Fund Balance (in millions)</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Health Care PPO Plan $0.1</td>
<td>2</td>
</tr>
<tr>
<td>Blue Shield Access+ Flex-Funded Plan</td>
<td>11.0</td>
</tr>
<tr>
<td>Blue Shield Trio Flex-Funded Plan</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Delta Dental Self-Funded Plan</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Health Care Sustainability Fund</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Interest</td>
<td>1.0</td>
</tr>
<tr>
<td>Performance Guarantees</td>
<td>0.0</td>
</tr>
<tr>
<td>Performance Guarantees – Surrogacy and Adoption Assistance Plan</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Forfeitures</td>
<td>0.0</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Total</td>
<td>$(1.6)</td>
</tr>
</tbody>
</table>

Pharmacy Rebates are discussed on page 7.

**General Fund Administration Budget**

Based on the financial results for the first four months of FY 2019-20, the General Fund Administration budget is projected to end the year with no balance.
United Health Care PPO Plan

Fiscal Year End Projection

A $0.1 million increase in fund balance is projected as a result of the following:

a. $1.0 million decrease in fund balance:
   - $0.8 million associated with subsidizing 2019 rates (for the first six months of FY 2019-20) from the claim stabilization reserve
   - $0.2 million decrease in fund balance due to unfavorable claim experience

b. $1.1 million increase in fund balance:
   - $0.1 million associated with the increase in 2020 rates (for the second six months of FY 2019-20) to recover the 2018 deficit
   - $1.0 million of pharmacy rebates (additional information on page 7)

First Four (4) months

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-19</td>
<td>3.48</td>
<td>3.06</td>
<td>3.20</td>
</tr>
<tr>
<td>Aug-19</td>
<td>6.67</td>
<td>6.12</td>
<td>6.40</td>
</tr>
<tr>
<td>Sep-19</td>
<td>9.66</td>
<td>9.18</td>
<td>9.60</td>
</tr>
<tr>
<td>Oct-19</td>
<td>12.76</td>
<td>12.35</td>
<td>12.91</td>
</tr>
<tr>
<td>Nov-19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec-19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan-20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb-20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar-20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr-20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May-20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun-20</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

With four months of experience, cumulative expenses for UHC PPO track $0.15 M less than the expected cost levels regardless of whether cumulative expenses are compared to the actual revenues ($12.76 M - $12.91 M) and when the cumulative expenses are compared to cumulative revenues with the $0.56 M buy-down for the rate stabilization reserves (12.76 M - ($12.35 M + $0.56 M)).
Blue Shield Access+ Flex Funded Plan

Fiscal Year End Projection

A $11.0 million increase in fund balance is projected resulting from:

- $1.0 million associated with the increase in 2019 rates (for the first six months of FY 2019-20) to recover the 2017 deficit
- $0.6 million associated with the increase in 2020 rates (for the second six months of FY 2019-20) to recover the 2018 deficit
- $4.8 million of pharmacy rebates (additional information on page 7)
- $4.6 million due to favorable claim experience

First Four (4) months

With four months of experience, cumulative expenses for BSC Access+ track $2.86 M less than the expected cost levels regardless of whether cumulative expenses are compared to the actual revenues ($72.95 M - $75.81 M) and when the cumulative expenses are compared to cumulative revenues with the $0.65 M buy-up for the rate stabilization reserves ($72.95 M – ($76.46 M - $75.81 M)).
Blue Shield Trio Flex-Funded Plan

Fiscal Year End Projection

A $6.7 million decrease in fund balance is projected resulting from:

a. $3.1 million increase in fund balance:

- $0.6 million associated with the increase in 2019 rates (for the first six months of FY 2019-20) to recover the 2017 deficit
- $0.3 million associated with the increase in 2020 rates (for the second six months of FY 2019-20) to recover the 2018 deficit
- $2.2 million in pharmacy rebates (additional information on page 7)

b. $9.8 million decrease in fund balance due to unfavorable claim experience. In the report for November, we will be reporting a decrease in the medical claims due to better claims experience.

First Four (4) Months

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cum. Revenues</td>
<td>8.49</td>
<td>16.98</td>
<td>25.47</td>
<td>34.43</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cum. Revenues adj. for Stabilization Reserves</td>
<td>8.39</td>
<td>16.78</td>
<td>25.17</td>
<td>34.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on four months of experience, cumulative expenses for BSC Trio are $2.82 M more than the expected cost levels regardless of whether cumulative expenses are compared to the actual revenues ($36.85 M - $34.03 M) and when the cumulative expenses are compared to cumulative revenues with the $0.4 M buy-up for the rate stabilization reserves ($36.85 M – ($34.43 M - $0.4 M)).
**Delta Dental Self-Funded Plan**

**Fiscal Year End Projection**

$4.3 million decrease in fund balance is projected resulting from:

a. $1.3 million increase in fund balance due to favorable claim experience

b. $5.6 million decrease in fund balance:
   - $2.1 million decrease in fund balance associated with subsidizing 2019 rates (for the first six months of FY 2019-20) from the claim stabilization reserve
   - $3.5 million decrease in fund balance associated with subsidizing 2020 rates (for the second six months of FY 2019-20) from the claim stabilization reserve

**First Four (4) Months**

Based on four months of experience, cumulative expenses for Delta Dental are $1.84 M less than the expected cost levels regardless of whether cumulative expenses are compared to the actual revenues ($15.12 M - $16.96 M) and when the cumulative expenses are compared to cumulative revenues with the $1.41 M buy-down for the rate stabilization reserves ($15.12 M – ($15.55 M + $1.41 M)).
Other Trust Fund Notes

Healthcare Sustainability Fund

The following table reflects the year-to-date actuals through October 31, 2019. With four (4) months of actuals, a projected balance of 1.99 million is expected at the end of FY 2019-20. The annual revenues are projected to be $173,558 more than the annual expenditures.

<table>
<thead>
<tr>
<th>Healthcare Sustainability Fund FY 2019-20</th>
<th>Revised Budget</th>
<th>Oct YTD Actual</th>
<th>Projection</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues/Premiums</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Revenues</td>
<td>$ 2,602,555</td>
<td>$ 848,349</td>
<td>$ 2,551,248</td>
<td>(51,307)</td>
</tr>
<tr>
<td>Carryforward from fund balance</td>
<td>3,909,771</td>
<td>3,909,771</td>
<td>3,909,771</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 6,512,326</td>
<td>$ 4,758,120</td>
<td>$ 6,461,019</td>
<td>(51,307)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Expenditures</td>
<td>$ 2,556,271</td>
<td>$ 503,902</td>
<td>$ 2,377,690</td>
<td>(178,581)</td>
</tr>
<tr>
<td>One-time Expenditures</td>
<td>2,036,389</td>
<td>313,955</td>
<td>2,094,157</td>
<td>57,768</td>
</tr>
<tr>
<td>Grand Total Expenditures</td>
<td>$ 4,592,660</td>
<td>$ 817,857</td>
<td>$ 4,471,847</td>
<td>(120,813)</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td>$ 1,919,666</td>
<td>$ 3,940,263</td>
<td>$ 1,989,172</td>
<td>69,506</td>
</tr>
</tbody>
</table>

Interest

An $1.0 million increase in fund balance is projected based on the Trust Fund cash balances for FY 2019-20.

Performance Guarantees

No performance guarantees have been received in FY 2019-20. The $92.2 million fund balance includes the $8.3 million in PGs received since FY 2005-06.

Performance Guarantees for Adoption and Surrogacy Assistance Plan

Performance guarantees are used to fund the Adoption and Surrogacy Assistance Plan. As of September 30, 2019, $44,900 has been reimburse to members, and the year-end projection is $185 thousand.

Forfeitures and Transfers Out

The IRS allows forfeitures from flexible spending accounts to be used to fund the administration of the accounts. Since the funding for the administration is in the General Fund and the forfeitures reside in the Trust, a transfer needs to be made at the close of each fiscal year. If required to balance the General Fund budget, up to $0.6 million will be transferred. The goal is to minimize the transfer each fiscal year.
Pharmacy Rebates

The following table summarizes the FY 2019-20 pharmacy rebates as of October 31, 2019 and year-end projection. The rebates are provided at the end of each quarter. As of October 31, 2019, $2.0 million of pharmacy rebates has been received. The year-end projection is $8.0 million. The rebates offset the claims payments to the plans.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Amount (year to date)</th>
<th>Year-End Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Shield</td>
<td>$1,777,644</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>UHC</td>
<td>$ 206,022</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1,983,666</td>
<td>$8,000,000</td>
</tr>
</tbody>
</table>
### SELF-INSURANCE

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019-20 Year-To-Date Revenues</th>
<th>FY 2019-20 Year-To-Date Expenses</th>
<th>FY 2019-20 Year-To-Date Net Excess(Shortage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UHC PPO, including ASO</td>
<td>12,354,521</td>
<td>12,756,162</td>
<td>(401,641)</td>
</tr>
<tr>
<td>Blue Shield Access+</td>
<td>76,461,473</td>
<td>72,949,588</td>
<td>3,511,885</td>
</tr>
<tr>
<td>Blue Shield Trio</td>
<td>34,430,658</td>
<td>36,852,796</td>
<td>(2,422,138)</td>
</tr>
<tr>
<td>Delta Dental - Active only, including ASO</td>
<td>15,554,855</td>
<td>15,120,135</td>
<td>434,721</td>
</tr>
<tr>
<td><strong>TOTAL SELF-INSURANCE</strong></td>
<td><strong>138,801,507</strong></td>
<td><strong>137,678,680</strong></td>
<td><strong>1,122,826</strong></td>
</tr>
</tbody>
</table>

### INSURANCE PRODUCTS

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019-20 Year-To-Date Revenues</th>
<th>FY 2019-20 Year-To-Date Expenses</th>
<th>FY 2019-20 Year-To-Date Net Excess(Shortage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UHC MAPD</td>
<td>24,133,954</td>
<td>24,133,954</td>
<td>0</td>
</tr>
<tr>
<td>Kaiser-HMO</td>
<td>140,845,874</td>
<td>140,385,809</td>
<td>460,065</td>
</tr>
<tr>
<td>Vision Service Plan, All (City Plan &amp; HMO)</td>
<td>2,661,235</td>
<td>2,641,962</td>
<td>19,274</td>
</tr>
<tr>
<td><strong>Sub-total HMO</strong></td>
<td><strong>167,641,063</strong></td>
<td><strong>167,161,725</strong></td>
<td><strong>479,339</strong></td>
</tr>
<tr>
<td>Delta Dental - Retired</td>
<td>5,404,861</td>
<td>5,365,614</td>
<td>39,247</td>
</tr>
<tr>
<td>Delta Care</td>
<td>301,137</td>
<td>291,311</td>
<td>9,826</td>
</tr>
<tr>
<td>UHC Dental</td>
<td>151,642</td>
<td>149,178</td>
<td>2,464</td>
</tr>
<tr>
<td><strong>Sub-total Dental</strong></td>
<td><strong>5,857,640</strong></td>
<td><strong>5,806,103</strong></td>
<td><strong>51,537</strong></td>
</tr>
<tr>
<td>Long Term/Short Term Disability</td>
<td>2,575,653</td>
<td>2,575,653</td>
<td>0</td>
</tr>
<tr>
<td>Flexible Benefits</td>
<td>901,546</td>
<td>901,506</td>
<td>40</td>
</tr>
<tr>
<td>Flexible Spending-Dependent Care</td>
<td>2,056,534</td>
<td>1,509,099</td>
<td>547,435</td>
</tr>
<tr>
<td>Flexible Spending - Medical Reimbursement</td>
<td>2,992,196</td>
<td>2,011,762</td>
<td>980,435</td>
</tr>
<tr>
<td>Best Doctors ($1.15)</td>
<td>323,719</td>
<td>323,719</td>
<td>0</td>
</tr>
<tr>
<td>Healthcare Sustainability Fund ($3.00)</td>
<td>848,349</td>
<td>817,857</td>
<td>30,492</td>
</tr>
<tr>
<td>Adoption &amp; Surrogacy</td>
<td>323,719</td>
<td>323,719</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL INSURANCE PRODUCTS</strong></td>
<td><strong>183,196,701</strong></td>
<td><strong>181,155,736</strong></td>
<td><strong>2,040,965</strong></td>
</tr>
</tbody>
</table>

### SAVINGS AND INVESTMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019-20 Year-To-Date Revenues</th>
<th>FY 2019-20 Year-To-Date Expenses</th>
<th>FY 2019-20 Year-To-Date Net Excess(Shortage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Performance guarantees</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Forfeitures</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL SAVINGS &amp; INVESTMENTS</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td><strong>321,998,207</strong></td>
<td><strong>318,834,416</strong></td>
<td><strong>3,163,791</strong></td>
</tr>
</tbody>
</table>

* Expenses are net of pharmacy rebates - see report for details

**SUMMARY- In millions**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019-20 Year-To Date Actual</th>
<th>FY 2019-20 Projected Annual-Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UHC PPO</td>
<td>(0.4)</td>
<td>0.1 (a)</td>
</tr>
<tr>
<td>Blue Shield-Access+</td>
<td>3.5</td>
<td>11.0 (b)</td>
</tr>
<tr>
<td>Blue Shield-Trio</td>
<td>(2.4)</td>
<td>(6.7) (b)</td>
</tr>
<tr>
<td>Dental, Actives</td>
<td>0.4</td>
<td>(4.3) (c)</td>
</tr>
<tr>
<td>Insurance Products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical HMOs</td>
<td>0.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Dental</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>LTD/Flexible Benefits/FSA/Best Doctors</td>
<td>1.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Healthcare Sustainability Fund ($3.00)</td>
<td>0.0</td>
<td>(1.9) (d)</td>
</tr>
<tr>
<td>Savings &amp; Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Performance guarantees</td>
<td>0.0</td>
<td>0.0 (e)</td>
</tr>
<tr>
<td>Performance guarantees - Surrogacy and adoption</td>
<td>0.0</td>
<td>(0.2) (f)</td>
</tr>
<tr>
<td>Forfeitures</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>0.0</td>
<td>(0.6) (g)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>3.2</td>
<td>(1.6)</td>
</tr>
</tbody>
</table>

Net assets

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019-20 Year-To Date Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of the year</td>
<td>92.2</td>
</tr>
<tr>
<td>End of the year</td>
<td>90.6</td>
</tr>
</tbody>
</table>

(a) Annual Projection is net of claim stabilization of $0.8 million used to reduce 2019 rates, $0.1 million to increase 2020 rates, and Pharmacy rebate of $1.0 million

(b) Annual Projection is net of claim stabilization of $1.6 million to increase 2019 rates, $0.9 million to increase 2020 rates, and Pharmacy rebate of $7 million

(c) Annual Projection is net of claim stabilization of $2.1 million to reduce 2019 rates and $3.5 million to reduce 2020 rates

(d) $3.00 per member per month for communications, wellness, actuarial work; is part of a total premium.

(e) Only reflects performance guarantees received in FY 2019-2020

(f) Reflects use of fund balance

(g) Transfer of $0.6M from forfeitures to General Fund per FY 2019-2020 budget
## HEALTH SERVICE SYSTEMS
### STATEMENTS OF REVENUES AND EXPENSES
#### FY2019-2020 VS FY2018-2019
**YEAR-TO-DATE: October 31, 2019**

### SELF-INSURANCE

<table>
<thead>
<tr>
<th></th>
<th>For 4 months ended October 31, 2019</th>
<th>For 4 months ended October 31, 2018</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UHC PPO, including ASO</td>
<td>12,354,521</td>
<td>10,807,647</td>
<td>1,546,874</td>
<td>14.3%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(12,756,162)</td>
<td>(11,855,506)</td>
<td>(900,657)</td>
<td>7.6%</td>
</tr>
<tr>
<td>Net UHC PPO Excess(Shortage)</td>
<td>(401,641)</td>
<td>(1,047,859)</td>
<td>646,217</td>
<td></td>
</tr>
<tr>
<td>Blue Shield-Access+</td>
<td>76,461,473</td>
<td>65,804,188</td>
<td>10,657,284</td>
<td>16.2%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(72,949,586)</td>
<td>(67,775,466)</td>
<td>(5,174,121)</td>
<td>7.6%</td>
</tr>
<tr>
<td>Net Blue Shield-Access Excess(Shortage)</td>
<td>3,511,885</td>
<td>(1,971,278)</td>
<td>5,483,163</td>
<td></td>
</tr>
<tr>
<td>Blue Shield-Trio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>76,461,473</td>
<td>65,804,188</td>
<td>10,657,284</td>
<td>16.2%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(72,949,586)</td>
<td>(67,775,466)</td>
<td>(5,174,121)</td>
<td>7.6%</td>
</tr>
<tr>
<td>Net Blue Shield-Trio Excess(Shortage)</td>
<td>3,511,885</td>
<td>(1,971,278)</td>
<td>5,483,163</td>
<td></td>
</tr>
<tr>
<td>Delta Dental - Active only, including ASO</td>
<td>15,554,855</td>
<td>16,162,078</td>
<td>(607,222)</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(15,120,135)</td>
<td>(14,909,962)</td>
<td>(210,173)</td>
<td>1.4%</td>
</tr>
<tr>
<td>Net Delta Dental - Active Excess(Shortage)</td>
<td>434,721</td>
<td>(498,678)</td>
<td>5,483,163</td>
<td></td>
</tr>
<tr>
<td>Delta Dental - Retired</td>
<td>5,404,861</td>
<td>4,938,566</td>
<td>466,295</td>
<td>9.4%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(5,365,614)</td>
<td>(5,103,051)</td>
<td>(262,563)</td>
<td>5.1%</td>
</tr>
<tr>
<td>Net Delta Dental - Retired Excess(Shortage)</td>
<td>39,247</td>
<td>(164,485)</td>
<td>203,732</td>
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<tr>
<td>Delta Care</td>
<td>301,137</td>
<td>307,925</td>
<td>(6,788)</td>
<td>-2.2%</td>
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<tr>
<td>Expenses</td>
<td>(291,311)</td>
<td>(298,021)</td>
<td>6,711</td>
<td>-2.3%</td>
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<tr>
<td>Net Delta Care Excess(Shortage)</td>
<td>9,826</td>
<td>9,904</td>
<td>(78)</td>
<td></td>
</tr>
<tr>
<td>UHC Dental</td>
<td>151,642</td>
<td>135,081</td>
<td>16,561</td>
<td>12.3%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(149,178)</td>
<td>(133,819)</td>
<td>(15,359)</td>
<td>11.5%</td>
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<tr>
<td>Net UHC Dental Excess(Shortage)</td>
<td>2,464</td>
<td>1,262</td>
<td>1,202</td>
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<tr>
<td>Flexible Benefits</td>
<td>901,546</td>
<td>745,751</td>
<td>155,795</td>
<td>20.9%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(901,506)</td>
<td>(745,726)</td>
<td>(15,781)</td>
<td>20.9%</td>
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<td>Net Flexible Benefits Excess(Shortage)</td>
<td>40</td>
<td>25</td>
<td>15</td>
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<tr>
<td>Flexible Spending-Dependent Care</td>
<td>2,056,534</td>
<td>1,904,365</td>
<td>152,169</td>
<td>8.0%</td>
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<tr>
<td>Expenses</td>
<td>(2,011,762)</td>
<td>(1,645,306)</td>
<td>(366,455)</td>
<td>22.3%</td>
</tr>
<tr>
<td>Net Flexible Spending-Dependent Care Excess(Shortage)</td>
<td>980,435</td>
<td>917,626</td>
<td>28,000</td>
<td></td>
</tr>
<tr>
<td>Best Doctors ($1.15)</td>
<td>323,719</td>
<td>391,960</td>
<td>(68,240)</td>
<td>-17.4%</td>
</tr>
<tr>
<td>Revenues</td>
<td>(323,719)</td>
<td>(388,545)</td>
<td>64,826</td>
<td>-16.7%</td>
</tr>
<tr>
<td>Net Best Doctors Excess(Shortage)</td>
<td>-</td>
<td>3,415</td>
<td>(3,415)</td>
<td></td>
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<tr>
<td>Adoption &amp; Surrogacy</td>
<td>(48,312)</td>
<td>(47,376)</td>
<td>(936)</td>
<td>2.0%</td>
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<tr>
<td>Healthcare Sustainability Fund ($3.00)</td>
<td>848,349</td>
<td>840,714</td>
<td>7,635</td>
<td>0.9%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(817,857)</td>
<td>(592,178)</td>
<td>(225,679)</td>
<td>38.1%</td>
</tr>
<tr>
<td>Net Healthcare Sustainability Fund ($3.00) Excess(Shortage)</td>
<td>30,492</td>
<td>1,168,733</td>
<td>854,232</td>
<td></td>
</tr>
<tr>
<td>Total Savings &amp; Investments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NET EXCESS (SHORTAGE)</strong></td>
<td><strong>3,163,791</strong></td>
<td><strong>(1,076,965)</strong></td>
<td><strong>4,242,757</strong></td>
<td></td>
</tr>
</tbody>
</table>

Notes: 
- **a** decrease in membership
- **b** decrease in rates
- **c** decrease in deductions
- **d** increase in membership
- **e** decrease in rates from $1.40 to $1.15
- **f** increase in claims
- **g** increase in deductions
- **h** increase in rates
- **i** increase in rates
- **j** decrease in claims
- **k** $3 per member per month for communications, wellness, actuarial work
- **l** vision buy-up effective 1/1/18
- **m** effective 1/1/18

### INSURANCE PRODUCTS

<table>
<thead>
<tr>
<th></th>
<th>For 4 months ended October 31, 2019</th>
<th>For 4 months ended October 31, 2018</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-HMO</td>
<td>140,845,874</td>
<td>139,415,197</td>
<td>1,430,676</td>
<td>1.0%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(140,385,809)</td>
<td>(139,711,629)</td>
<td>(674,179)</td>
<td>0.5%</td>
</tr>
<tr>
<td>Net Kaiser- HMO Excess(Shortage)</td>
<td>460,065</td>
<td>(296,432)</td>
<td>756,497</td>
<td></td>
</tr>
<tr>
<td>UHC MAPD</td>
<td>24,133,954</td>
<td>23,413,098</td>
<td>720,856</td>
<td>3.1%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(24,133,954)</td>
<td>(23,413,098)</td>
<td>(720,856)</td>
<td>3.1%</td>
</tr>
<tr>
<td>Net UHC MAPD Excess(Shortage)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Vision Service Plan, All (City Plan &amp; HMO)</td>
<td>2,661,235</td>
<td>2,416,034</td>
<td>245,201</td>
<td>10.1%</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,641,962)</td>
<td>(2,402,489)</td>
<td>(239,472)</td>
<td>10.0%</td>
</tr>
<tr>
<td>Net Vision Service Plan Excess(Shortage)</td>
<td>19,274</td>
<td>13,545</td>
<td>5,729</td>
<td></td>
</tr>
</tbody>
</table>
### NET SELF-INSURANCE

|                      | 1,122,826                          | (2,265,699)                       | 3,388,525 |          |

### NET INSURANCE PRODUCTS

|                      | 2,040,965                          | 1,186,733                         | 854,232   |          |

### SAVINGS AND INVESTMENTS

|                      | 0                                  | 0                                 | 0        |          |

### TOTAL NET EXCESS (SHORTAGE)

|                      | 3,163,791                          | (1,076,965)                       | 4,242,757 |          |
## San Francisco Health Service System

### Healthcare Sustainability Fund FY 2019-20

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Oct YTD Actual</th>
<th>Projection</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues/Premiums</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Revenues</td>
<td>$ 2,602,555</td>
<td>$ 2,602,555</td>
<td>$ 848,349</td>
<td>$ 2,551,248</td>
<td>$(51,307)</td>
</tr>
<tr>
<td>Carryforward from fund balance</td>
<td>2,681,470</td>
<td>3,909,771</td>
<td>3,909,771</td>
<td>3,909,771</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 5,284,025</td>
<td>$ 6,512,326</td>
<td>$ 4,758,120</td>
<td>$ 6,461,019</td>
<td>$(51,307)</td>
</tr>
</tbody>
</table>

### Expenditures

#### Annual

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Oct YTD Actual</th>
<th>Projection</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services and Mandatory Fringes</td>
<td>$ 1,326,255</td>
<td>$ 1,262,265</td>
<td>161,780</td>
<td>$ 1,081,221</td>
<td>181,044</td>
</tr>
<tr>
<td>Communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open Enrollment Communications</td>
<td>315,000</td>
<td>353,561</td>
<td>231,508</td>
<td>348,561</td>
<td>$(5,000)</td>
</tr>
<tr>
<td>Operations Communications</td>
<td>115,827</td>
<td>121,819</td>
<td>11,210</td>
<td>122,690</td>
<td>$(871)</td>
</tr>
<tr>
<td>Well-Being Communications</td>
<td>160,000</td>
<td>175,750</td>
<td>12,363</td>
<td>198,000</td>
<td>$(22,250)</td>
</tr>
<tr>
<td>Other Communications</td>
<td>142,667</td>
<td>89,670</td>
<td>17,315</td>
<td>92,512</td>
<td>$(2,842)</td>
</tr>
<tr>
<td><strong>Total Communications</strong></td>
<td>$ 733,494</td>
<td>$ 740,800</td>
<td>272,395</td>
<td>$ 761,763</td>
<td>$(20,963)</td>
</tr>
<tr>
<td>Well-Being</td>
<td>232,500</td>
<td>262,500</td>
<td>3,163</td>
<td>244,000</td>
<td>18,500</td>
</tr>
<tr>
<td>Initiatives to Reduce Health Care Costs</td>
<td>282,500</td>
<td>272,500</td>
<td>65,500</td>
<td>272,500</td>
<td>$ -</td>
</tr>
<tr>
<td>Board Transcription Services/SFGOV</td>
<td>17,000</td>
<td>18,206</td>
<td>1,064</td>
<td>18,206</td>
<td>$ -</td>
</tr>
<tr>
<td>Contingency for Unforeseen Issues</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>$ 2,591,749</td>
<td>$ 2,556,271</td>
<td>503,902</td>
<td>$ 2,377,690</td>
<td>178,581</td>
</tr>
</tbody>
</table>

#### One-Time

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Oct YTD Actual</th>
<th>Projection</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open-Enrollment Communications</td>
<td>$ 235,000</td>
<td>$ 192,400</td>
<td>14,900</td>
<td>192,400</td>
<td>$ -</td>
</tr>
<tr>
<td>Operations Communications</td>
<td>1,345,475</td>
<td>1,106,532</td>
<td>231,190</td>
<td>1,170,250</td>
<td>$(63,718)</td>
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<tr>
<td>Well-Being</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
</tr>
<tr>
<td>Other Communications</td>
<td>261,660</td>
<td>181,660</td>
<td>67,865</td>
<td>175,710</td>
<td>5,950</td>
</tr>
<tr>
<td><strong>Total Communications</strong></td>
<td>$ 1,842,135</td>
<td>$ 1,480,592</td>
<td>313,955</td>
<td>$ 1,538,360</td>
<td>$(57,768)</td>
</tr>
<tr>
<td>Well-Being</td>
<td>108,000</td>
<td>128,650</td>
<td>-</td>
<td>128,650</td>
<td>$ -</td>
</tr>
<tr>
<td>Initiatives to Reduce Health Care Costs</td>
<td>55,000</td>
<td>427,147</td>
<td>-</td>
<td>427,147</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total One-Time Expenditures</strong></td>
<td>$ 2,005,135</td>
<td>$ 2,036,389</td>
<td>313,955</td>
<td>$ 2,094,157</td>
<td>$(57,768)</td>
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</tbody>
</table>

### Grand Total Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Oct YTD Actual</th>
<th>Projection</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue/Premiums</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$ 4,596,884</td>
<td>$ 4,592,660</td>
<td>$ 817,857</td>
<td>$ 4,471,847</td>
<td>120,813</td>
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</table>

### Balance

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Oct YTD Actual</th>
<th>Projection</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>平衡</td>
<td>$ 687,141</td>
<td>$ 1,919,666</td>
<td>$ 3,940,263</td>
<td>$ 1,989,172</td>
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<tr>
<td>REVENUES</td>
<td>YEAR-TO-DATE</td>
<td>ANNUAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>--------------</td>
<td>-----------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget Actual Variance %Var</td>
<td></td>
<td>Original Budget Revised</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget Actual Variance %Var</td>
<td></td>
<td>Projection Variance %Var</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
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<tr>
<td>Mandatory Fringe Benefits</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Non-personnel Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Services of Other Departments</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>General Fund Carryforward</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>EXPENDITURES</td>
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</tr>
<tr>
<td>Personnel Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mandatory Fringe Benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-personnel Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services of Other Departments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REVENUE LESS EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAV/UNFAV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Budget Actual Variance %Var

<table>
<thead>
<tr>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>%Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>208,212</td>
<td>(208,212)</td>
<td>-100.0%</td>
<td>Non-Operating Revenue</td>
</tr>
<tr>
<td>3,818,045</td>
<td>3,818,056</td>
<td>11</td>
<td>0.0% Work Order Recovery</td>
</tr>
<tr>
<td>3,044</td>
<td>(3,029)</td>
<td>-99.5%</td>
<td>Other Revenue</td>
</tr>
<tr>
<td>108,348</td>
<td>(108,348)</td>
<td>General Fund Carryforward</td>
<td></td>
</tr>
<tr>
<td>4,137,650</td>
<td>3,818,071</td>
<td>-7.7%</td>
<td>TOTAL REVENUES</td>
</tr>
</tbody>
</table>

### EXPENDITURES

<table>
<thead>
<tr>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>%Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,810,994</td>
<td>1,833,839</td>
<td>(22,845)</td>
<td>-1.3% Personnel Services</td>
</tr>
<tr>
<td>887,336</td>
<td>897,020</td>
<td>(9,684)</td>
<td>-1.1% Mandatory Fringe Benefits</td>
</tr>
<tr>
<td>674,944</td>
<td>510,999</td>
<td>163,945</td>
<td>24.3% Non-personnel Services</td>
</tr>
<tr>
<td>18,489</td>
<td>7,781</td>
<td>10,708</td>
<td>57.9% Materials &amp; Supplies</td>
</tr>
<tr>
<td>745,887</td>
<td>406,282</td>
<td>339,605</td>
<td>45.5% Services of Other Departments</td>
</tr>
</tbody>
</table>

### TOTAL EXPENDITURES

<table>
<thead>
<tr>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>%Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,137,650</td>
<td>3,655,920</td>
<td>481,730</td>
<td>11.6% TOTAL EXPENDITURES</td>
</tr>
</tbody>
</table>

### REVENUE LESS EXPENDITURES

| FAV/UNFAV | | |
|-----------| | |
| 0 | 162,151 | 162,151 | REVENUE LESS EXPENDITURES | 0 | (0) | (0) |