

Setting the Standard in Health Care Excellence

June 18, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

SUBJECT:

Approval of, and Authorization for the Purchasing Agent to Sign, on behalf of the Ventura County Health Care Plan, a Managed Care Excess Risk Reinsurance Agreement with RGA Reinsurance Company for Medical Claims Reinsurance Coverage for Fiscal Year 2024-2025, in the Estimated Amount of \$4,437,000.

RECOMMENDATION:

That your Board approve and authorize the Purchasing Agent to sign, on behalf of the Ventura County Health Care Plan (VCHCP), a Managed Care Excess Risk Reinsurance Agreement with RGA Reinsurance Company (RGA), for medical claims reinsurance coverage (aka "stop loss" insurance), for Fiscal Year 2024-2025, in the estimated amount of \$4,437,000.

FISCAL IMPACT:

Mandatory:	Yes
Authority:	Health & Safety Code Sections 1375.1 – 1378; Calif. Code of Regulations, Title 28, Sections 1300.75 – 1300.78
Funding Match Required:	None
Source of Funding:	VCHCP Operational Performance
Impact on other Departments:	None

Summary of Revenues and Costs:

	FY 2023-24	FY 2024-25
Revenues:	\$0	\$0
Costs:		
Direct	\$0	\$4,437,000
Indirect-Dept	\$0	\$0
Indirect-County CAP	\$0	\$0
Total Cost	\$0	\$4,437,000
Net County Cost	\$0	\$4,437,000
Recovered Indirect Costs	\$0	\$0

The monthly premium will vary with the actual number of health plan enrollees. Premiums will increase or decrease based on the fluctuations in the number of enrollees.

The revenue and appropriations needed for this agreement are included in the FY25 preliminary budget of VCHCP.

CURRENT FISCAL YEAR BUDGET TABLE

Current FY 2023-24 Budget Projection for Ventura County Health Care Plan Fund E-510 Division 3390				
	Adopted Budget	Adjusted Budget	Estimate to Year-End	Estimated (Savings/Deficit)
Expenditures	\$ 83,981,956	\$ 85,202,550	\$ 83,618,443	\$ 1,584,107
Revenue	\$ 84,170,439	\$ 84,170,439	\$ 83,487,796	\$ (682,643)
Operational Income/(Loss)	\$ 188,483	\$ (1,032,111)	\$ (130,647)	\$ 901,464

*Includes interest and fixed assets

STRATEGIC PLAN PRIORITY:

The item presented in this Board letter supports the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it supports the goal of providing equitable and timely access to quality healthcare.

DISCUSSION:

Managed care excess risk reinsurance coverage is an important part of VCHCP's risk management program. Reinsurance coverage adds a layer of financial protection against high cost catastrophic cases and supports the financial viability requirements of the Knox-Keene Health Care Service Plan Act of 1975, as embodied in Title 28 of the California Code of Regulations.

The proposed agreement with RGA is for Fiscal Year 2024-2025, with an estimated cost of \$4,437,000 based on an estimated enrollment of approximately 10,020 members. As in previous years, premium payment will be made through Beecher Carlson Insurance Services, the broker for this coverage.

This letter has been reviewed by the County Executive Office, County Counsel, General Services Agency Procurement Services and Auditor-Controller's Office. If you have any questions regarding these recommendations, please contact Dee Pupa at (805) 981-5006.

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Dee Pupa
Health Care Agency Deputy Director Managed Care
Health Care Plan Administrator



Barry Zimmerman
Health Care Agency Director

Attachment: Exhibit 1 – RGA Reinsurance Company, Managed Care Excess Risk
Reinsurance Agreement