

**ASSOCIATION OF FLORIDA COLLEGES**  
**Florida College System Council of Presidents'**  
**Meeting Minutes**

**May 21, 2021**

**1:00 pm**

**Policy and Advocacy Committee Meeting**

**1.0 Welcome and Remarks**

Dr. Angela M. Garcia Falconetti, called the May 21, 2021, Policy and Advocacy Committee Meeting to order at 1:09 p.m.

Dr. Falconetti shared the Governor has not received the General Appropriations Acts (GAA) bill therefore, any funding matters presented during this meeting are pending. The three goals established by the Florida College System Council of Presidents, were achieved. The 2020-2021 Legislative brochure was widely distributed to members of the Florida Legislature and the Trustees.

She recapped the goals 1) to conserve the Florida College System Program Fund, 2) invest continuously in Florida College System infrastructure and 3) maintain funding for the Complete Florida Plus Prep Program. She emphasized that the first goal was stressed during session. It is critical to note the 6% hold back funds are slated to be released for all colleges pending the Governor's signature of the GAA bill. It is anticipated the funds will be released at the end of this fiscal year as additional GR. Additionally, the final GAA yielded an increase for the College System of approximately \$87 million dollars over the 2020-21 operating budget and the program funds demonstrated an increase of approximately \$64 million dollars which equates to a 5% increase year to year. She thanked Mr. Seth McKeel for his work during the session in supporting the COP and helping the COP to be successful this year.

**2.0 Legislative Update**

Mr. Seth McKeel, stated it was an honor to help the COP this year, and he was appreciative of the work accomplished with Jessica McClain and Lacy Hofmeyer. He thanked Logan Lewkow and The Moore Agency for the consistency of the message around program fund. He stated that we are getting recognition in the \$350 million for renovation and remodeling assistance. Further updates on PECO funding will be given in June.

**3.0 AFC Policy Review (college staff lobbyists)**

Ms. Lacey Hofmeyer, vice-chair, provided a post legislative session update. She reiterated President Falconetti's comments that the Legislative Committee started the year preparing for the next legislative session with potential budget impacts as they developed the legislative priorities from the COP. She reported that progress was made on each of the three goals. She provided an update on

the budget items that were passed by the legislature, but not yet signed into law. She reported that over 3000 bills were filed, and 275 bills were passed. She gave a brief update on bills that were passed relating to the Florida College System.

President Pickens mentioned that a Survey Monkey will be circulated regarding the best meeting time for next year and to expect a schedule from him and/or Dr. Falconetti.

### **COP Business Meeting**

- 1.0 CALL TO ORDER - Welcome and Remarks  
President Joe Pickens, chair, called the May 21, 2021, Council of Presidents' Business Meeting to order at 1:33 p.m.
- 2.0 Quorum Check  
Marsha Kiner, AFC Interim Executive Director, took roll of the presidents who were present on the Zoom.

President Greg Haile  
Dr. Sarah Clemmons  
Dr. Tom LoBasso  
Dr. Jim Richey via proxy Mark Cherry  
Dr. Jeff Albritten  
Dr. Lawrence Barrett  
Dr. John Avendano via proxy Virginia Berry  
Dr. John Holdnak  
Dr. Ken Atwater via proxy Eric Johnson  
Dr. Stanley Sidor  
President Madeline Pumariega  
President John Grosskopf  
Dr Devin Stephenson  
President Ava Parker  
Dr. Timothy Beard  
Dr. Ed Meadows  
Dr. Angela M. Garcia Falconetti  
Dr. Paul Broadie  
Dr. Georgia Lorenz  
Dr. Thomas Leitzel  
Dr. Carol Probstfeld  
President Joe Pickens  
Dr. Tonjua Williams  
Dr. Jim Murdaugh

### 3.0 Council of Presidents' Minutes

#### 3.1 Council of Presidents' Zoom Business Meeting Minutes – March 19, 2021

**Action:** *Upon a motion by Dr. Falconetti and a second by Dr. Lorenz, the February 19, 2021, Council of Presidents' Zoom Business Meeting Minutes were unanimously adopted.*

### 4.0 Report of the Chair – President Joe Pickens

President Pickens thanked Mr. McKeel for his work this past year. Additionally, he thanked, Ms. McClain, Ms. Hofmeyer, and Dr. Falconetti for a good legislative year.

### 5.0 Report of the Chancellor, Division of Florida Colleges

Chancellor Kathy Hebda shared the Baccalaureate Accountability reports were all turned in by the due date and to expect an updated report to be presented at the June meeting. She stated they will be considering a new rule at the State Board of Education meeting on June 10, on rule 6A-14.0582 Florida College System Intercollegiate Student Athletic Compensation and Rights. The workshop and rule development has already occurred. The rule language has not changed since the original workshop.

Chancellor Hebda thanked everyone for their work with the Florida Student Success Center. Chancellor Hebda reported starting this fall, students who earned the Medallion Scholarship under Bright Futures can receive full tuition from a state or community college. She reminded Council members who have any concerns on the pending bills, to please contact her office to assist in providing any technical assistance regarding pending bills.

Chancellor Hebda also discussed the bill passed last year regarding different level fund balances for colleges greater than fifteen thousand FTE's (seven percent and five percent fund balance for smaller colleges). Any college carrying a balance higher than 7% or 5% must submit a plan explaining how they are planning to spend any overages or why they are saving the funds. These plans would have been due during the pandemic. The original plan requirement was waived through an emergency order. Each college plan is due to their Trustees by September 30, and to DOE by November 13. To assist colleges on what the plan should look like, they have put together a template.

Chancellor Hebda concluded her report by stating how proud the department is of Broward College and Tallahassee Community College for earning Finalist and Finalist with Distinction for the Aspen Prize for Community College Excellence.

### 6.0 Report of the Chancellor, Division of Career and Adult Education

Chancellor Henry Mack stated that HB-1507 speaks to regionalization, more integrated workforce in education developmental system and how our education

system partners with local economic development agencies, chamber of commerce or local workforce boards and school systems in the delivery of adult education. He encouraged the Council of Presidents to contact local adult education providers to co-author a grant application possibly be a subrecipient of the funds to reach the adults in Florida without a high school diploma.

Chancellor Mack stated they are in contract negotiation with an outside vendor to build out a data analytics tool and economic self-sufficiency model to see how well programs are working on the local level.

Chancellor Mack shared the Office of Articulation has been realigned under his position and they will soon be providing a guidance document on reverse transfer. They will also be hosting a webinar, and he asked that Council Of Presidents alert campus Registrars to look for the announcement on the webinar.

His office will continue to plan Professional Development opportunities on coursework for faculty and adjuncts as well as absorb the cost.

He also shared that the Governor's most recent Executive Order 21-94, extends the original Emergency Executive Order 20-52 for the COVID pandemic that provided provisions for public safety and health science programs to use simulations in lieu of live patients. He reported that the colleges should be preparing for students to return to a non-emergency state.

## 7.0 COP Committee and Work Group Reports

### 7.1 Articulation Coordinating Committee

Dr. Stan Sidor reported that the Committee has not met since the last COP meeting, they are scheduled to meet on June 17.

### 7.2 Distance Learning Committee

Dr. Stan Sidor reported they have begun a survey of online courses and programs with the goal of identifying the most commonly used courses. The next step is to start comparing the OER materials. The goal is to analyze the top five (5) OER delivery materials and most commonly used and look at what is being done and how we can increase impact to form a repository of OER in the state distance learning community and disseminate the information. They had discussion on the successes and challenges of remote proctoring and adaptive learning and testing.

### 7.3 Florida College System Risk Management Consortium

Mr. John Grosskopf reported they met in Orlando and will be bringing forth a series of recommendations for consideration at the June COP meeting.

### 7.4 Media and Public Relations Committee

Dr. Tom Leitzel asked Logan Lewkow from The Moore Agency to

provide a Committee update. Mr. Lewkow reported during the Face of Florida Social Media Campaign and National Community College Month, they were able to make target post to each legislator throughout the state and highlight all 28 colleges and over 45 student and graduate profiles. They worked with Ms. McClain, Ms. Hofmeyer, and Mr. McKeel to thank legislators on wins that occurred late in session. He reported the statistical data has shown a significant increase in digital impressions and mentions. The growth shows they are creating a larger audience and creating more two-way engagement at a rapid pace. The top three performing colleges during National Community College Month were Hillsborough Community College, Indian River State College, and State College of Florida. The best student performance highlights were from Daytona State College and Seminole State College.

## 8.0 COP Support Council Reports

### 8.1 Council of Instructional Affairs

There was no report for the Council of Instructional Affairs.

### 8.2 Council of Student Affairs

There was no report for the Council of Student Affairs.

### 8.3 Council of Business Affairs

Dr. Heather Bigard reported a clarification stating that requests for a one-year extension to spend HEERF funds can be made, but you must have sufficient reasoning to make the request.

### 8.4 Florida Council for Resource Development

Ms. Kristen Gammon, the incoming Chair, reported on behalf of Mr. Cleve Warren. She updated the Council on FCRD's successful spring conference in April where Dr. Falconetti was the keynote speaker. The board is looking at having a fall virtual conference and returning to an in-person conference in the spring.

### 8.5 Council for Workforce Education

Dr. Mildred Coyne shared they hosted a panel led by St. Petersburg College on the federal relief funds to attain innovative practices and considerations for relief funds. The next panel will be centered on leveraging critical learning as a tool to accelerate adult learners into degree obtainment. They are planning for the June meeting with a focus on House Bill 1507. She also shared the success of the Industry Certification Funds.

## 9.0 Florida College System Activities Association

Ms. Warren shared that the full report was included in the meeting packet, listing student activities and events completed since the previous COP meeting.

Approval item #1: Adopting Council for Athletic Affairs recommendation to adopt NJCAA COVID language addressing LOI counters and non-counters. The language is as follows:

*"All 2020-2021 fall and winter sports student-athletes who were second-season participants, if signed to a NJCAA LOI, who return for 2021-22, will be considered a non-counter towards LOI limits, if signed by the same institution. For the 2021-2022 academic year, the FCSAA will allow the non-counters from 2020-2021 to extend the following LOI limits as long as they were signed to the same scholarship or less for the 2020-21 year.*

- *Basketball: 17*
- *Volleyball: 16*
- *Swimming & Diving: 17*
- *Cross Country: 12*
- *Soccer: 22*

**Action:** *Upon a motion by Dr. Lawrence Barrett and a second by Dr. John Holdnak the FCSAA Recommendation on Second-Season Eligibility was approved by a majority vote.*

Approval item #2: 2021-2022 FCSAA Operating Budget. Ms. Warren presented two plans. Plan A follows current staffing structure and includes increases in sports tournaments that are not adequately funded, as well as stipends for the Asst. Athletic Commissioners and the NCJAA Board of Regents representative. This plan would be approximately a \$20,000 increase from the 2020-2021 budget.

Plan B is a restructure of staffing that includes adding a full-time Associate Director, bringing the staff to one full-time Executive Director, one full-time Associate Director and two part-time administrative assistants. The Associate Director would take on the role of both the Men's and Women's Athletic Commissioners and NJCAA Board of Regents representative, eliminating the current model of two of our current campus athletic directors serving in those roles. The Associate Director would also have some minor duties for the overall Association and represent the Executive Director in her absence. The Plan B budget range is approximately \$380,250 - \$392,250, dependent upon the salary at which the new Associate Director is hired. Ms. Warren believes that Plan B is in the best interest of the organization as it allows for future growth.

Dr. John Holdnak made the motion for recommendation of Plan B at the higher level of the budget for approval as presented. Dr. Tom Leitzel second the motion. **Action:** *Upon the motion the budget was adopted and approved.*

#### 10.0 Association of Florida Colleges Report

Ms. Marsha Kiner reported on behalf of AFC President Ray Coulter. She reported the AFC postponed its Campus Safety Symposium to July 2022. The Student Development Commission held its spring conference with over 100 attendees.

She also shared details regarding the next COP meeting which will be an in-person meeting at the Gaylord Palms in Kissimmee. She said the meeting registration and reservation links will be posted shortly.

11.0 Announcements/Other Business

There were no announcements or other business for discussion.

12.0 ADJOURN

President Pickens adjourned the May 21, 2021, Council of Presidents' Business Meeting at 2:37 p.m.

DRAFT

# **Florida College System Council of Presidents**

## **Agenda Item Request Form**

**Agenda Item Name:** FCSAA Report

**Date of COP Meeting for Agenda Item Consideration:** June 18, 2021

**Presenter:** Dr. John Avendano / Ms. Kelly Warren

**Description of Agenda Item:** FCSAA Updates

### **Action Requested:**

**COP Approval:** 1. FCSAA Executive Committee CAA Action Items  
2. 2021-2022 Institutional Dues Proposal

**Information Only:** Athletic competitions update

**Discussion Items:** N/A

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**Disposition of Item:**



## **Florida College System Activities Association Report to the Council of Presidents – June 18, 2021**

### **Information Item updates since last COP meeting:**

#### ***Sanction Sports National Finishes:***

***Women's Basketball:*** Northwest Florida State College captured the NJCAA Division I National Championship April 19-24 in Lubbock, TX. Chipola College also participated in the tournament.

***Men's Basketball:*** Indian River State College and Chipola College participated in the NJCAA Division I National Basketball tournament with Chipola making it to the semifinal round, April 19-24 in Hutchinson, KS.

***Women's Tennis:*** Four of our colleges finished in the top 10 at the NJCAA Division I National Tournament, May 1-5, Meza, AZ.

Hillsborough Community College – 2<sup>nd</sup>

St. Petersburg College – 4<sup>th</sup>

Eastern Florida State College – 6<sup>th</sup>

State College of Florida – 7<sup>th</sup> (tie)

***Softball:*** Congratulations to Florida SouthWestern State College, who captured the national title, May 25-29, in Yuma, AZ.

***Baseball:*** Miami Dade College participated in the national tournament May 29-June 4 in Grand Junction, CO.

#### ***Non-Sanctioned Sports National Finishes:***

***Men's and Women's Swimming and Diving:*** The Indian River State College men captured their 47<sup>th</sup> national title while the women captured their 40<sup>th</sup> at the national tournament hosted by Indian River April 28-May 1.

***Women's Golf:*** Congratulations to Seminole State College, who captured the NJCAA Women's Golf Championship. Daytona State College women finished second. Hosted by Daytona State College, May 10-13, in Ormond Beach.

***Women's Soccer:*** The Eastern Florida State College women's soccer team captured the NJCAA Southeast District Championship and made it to the semi-finals of the national tournament.

***Men's Soccer:*** The Daytona State College men's soccer tea, captured the NJCAA Southeast District Championship and are participated in the national tournament.

***Approval Items from May FCSAA Executive Committee meeting:***

Volleyball Tournament Changes:

- a. Motion for Division 1 VB to become one conference (yet to be named)
- b. Motion for Division 1 VB to transition from an 8-team tournament to a 6-team tournament
- c. Motion for Division 2 VB to transition from an all-Sun-Lakes-conference tournament to a 6-team double-elimination tournament

Athletics Reconferencing:

- a. South Florida State College to move to the Southern Conference in D1 Baseball and D1 Softball for 2021-2022 only.
- b. Hillsborough Community College to move to Southern Conference in Men's and Women's Basketball for 2021-2022 only.

*Above items were approved by the Council for Athletic Affairs and the FCSAA Executive Committee meeting and await COP approval.*

***Approval Item: FCSAA 2021-2022 Institutional Dues Proposal: Please see attached.***

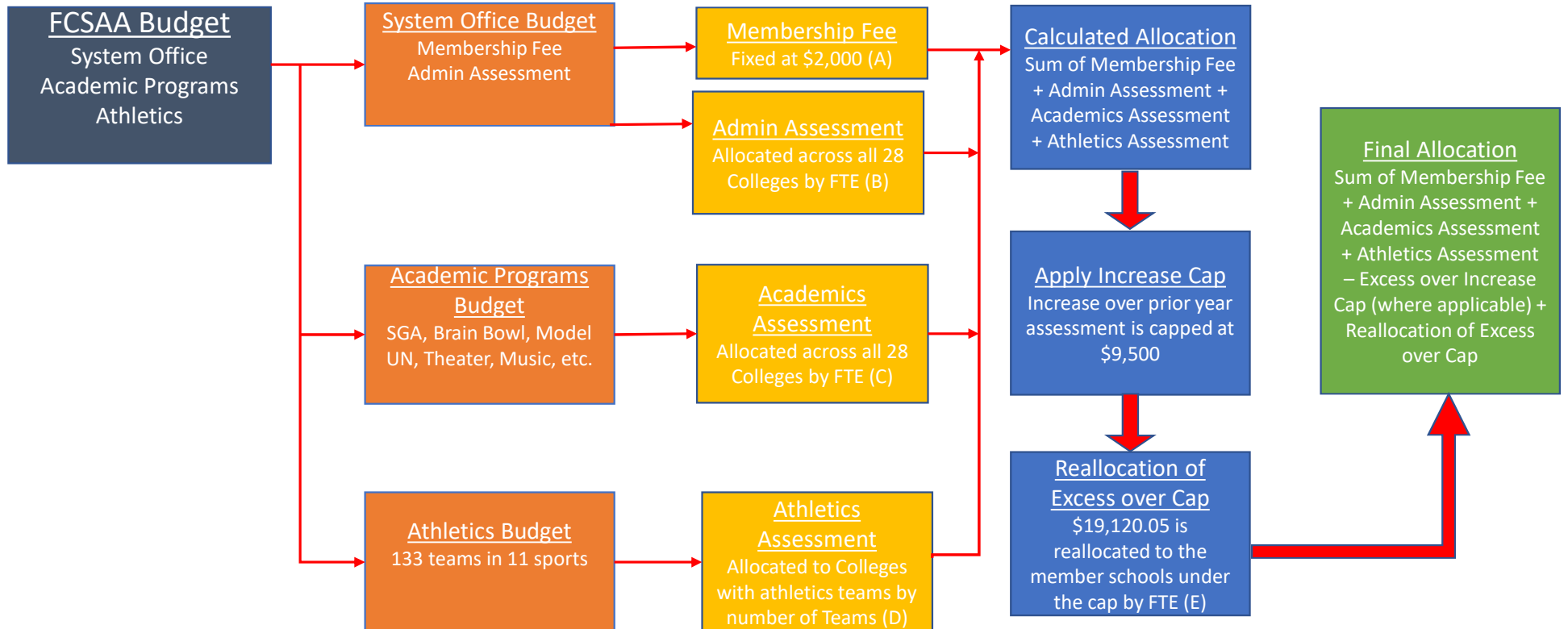
Special thanks to the FCSAA Institutional Dues Workgroup: Presidents Dr. Tom LoBasso, Dr. John Avendano, Dr. Stan Sidor and Dr. John Holdnak; COBA reps Dr. Heather Bigard (LSSC), Mark Cherry (EFSC) and Peter Elliott (SFSC).

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Respectfully submitted,

Kelly Warren  
FCSAA Executive Director

# FCSAA Budget Allocation Model



**FLORIDA COLLEGE SYSTEM ACTIVITIES ASSOCIATION  
ANNUAL DUES ALLOCATION  
2021-22**

2,000.00	Membership Fee
9,500.00	Maximum Increase Amonut

		A	B	C	D			E	A+B+C+D+E		
	TOTAL FTE	Membership Fee	ADMIN ASSESSMENT	ACADEMIC ASSESSMENT	ATHLETIC TEAMS	ATHLETIC ASSESSMENT	2020-21 FCSAA DUES	Allocation of Adjustment Amount	Final Assessment	Amount Change from 2020-21	% Change from 2020-21
SYST	316,275.9	56,000.00	251,000.00	48,700.00	133	36,550.00	330,598.15	19,120.05	392,250.00	61,651.85	18.65%
EFSC	10,782.0	2,000.00	8,556.71	1,660.21	11	3,022.93	12,248.51	867.62	16,107.47	3,858.96	31.5%
BROW	27,103.5	2,000.00	21,509.63	4,173.38	0	0.00	20,900.00	2,181.00	29,864.01	8,964.01	42.9%
CFLA	4,976.2	2,000.00	3,949.17	766.23	2	549.62	8,691.17	400.43	7,665.45	(1,025.72)	-11.8%
CHIP	1,387.0	2,000.00	1,100.74	213.57	5	1,374.06	4,168.25	111.61	4,799.98	631.73	15.2%
DAYT	11,043.5	2,000.00	8,764.24	1,700.47	10	2,748.12	15,895.45	888.66	16,101.50	206.05	1.3%
FSW	10,812.4	2,000.00	8,580.84	1,664.89	5	1,374.06	11,500.49	870.07	14,489.85	2,989.36	26.0%
FJAX	17,156.5	2,000.00	13,615.59	2,641.75	7	1,923.68	20,900.00	1,380.57	21,561.59	661.59	3.2%
FKEY	763.7	2,000.00	606.08	117.59	2	549.62	3,595.09	61.45	3,334.75	(260.34)	-7.2%
GULF	3,188.9	2,000.00	2,530.75	491.03	5	1,374.06	7,383.61	256.61	6,652.44	(731.17)	-9.9%
HILL	20,701.6	2,000.00	16,429.02	3,187.62	6	1,648.87	18,846.71	1,665.84	24,931.35	6,084.64	32.3%
INDR	12,428.4	2,000.00	9,863.31	1,913.72	7	1,923.68	14,903.82	1,000.10	16,700.82	1,797.00	12.1%
FGC	2,394.7	2,000.00	1,900.46	368.73	3	824.44	5,541.25	192.70	5,286.33	(254.92)	-4.6%
LSSC	3,314.9	2,000.00	2,630.74	510.43	5	1,374.06	5,999.49	266.75	6,781.97	782.48	13.0%
SCF	6,661.4	2,000.00	5,286.56	1,025.72	5	1,374.06	9,704.24	536.04	10,222.38	518.14	5.3%
MIAM	45,392.6	2,000.00	36,024.06	6,989.53	5	1,374.06	20,900.00	0.00	30,400.00	9,500.00	45.5%
NFLA	839.9	2,000.00	666.55	129.33	0	0.00	3,506.60	67.59	2,863.47	(643.13)	-18.3%
NWFC	3,798.7	2,000.00	3,014.69	584.92	4	1,099.25	7,073.37	305.68	7,004.54	(68.83)	-1.0%
PALM	20,702.8	2,000.00	16,429.97	3,187.81	4	1,099.25	19,097.24	1,665.94	24,382.96	5,285.72	27.7%
PASC	7,675.6	2,000.00	6,091.44	1,181.88	5	1,374.06	9,803.86	617.65	11,265.03	1,461.17	14.9%
PENS	7,061.0	2,000.00	5,603.69	1,087.25	6	1,648.87	10,573.36	568.19	10,908.00	334.64	3.2%
POLK	6,654.8	2,000.00	5,281.32	1,024.70	5	1,374.06	9,192.16	535.51	10,215.59	1,023.43	11.1%
ST.J	4,657.4	2,000.00	3,696.16	717.14	3	824.44	7,046.43	374.78	7,612.52	566.09	8.0%
ST.P	18,290.2	2,000.00	14,515.30	2,816.32	6	1,648.87	20,313.38	1,471.80	22,452.29	2,138.91	10.5%
SANF	10,963.2	2,000.00	8,700.51	1,688.11	5	1,374.06	12,177.93	882.20	14,644.88	2,466.95	20.3%
SEMI	12,913.1	2,000.00	10,247.98	1,988.35	5	1,374.06	12,621.52	1,039.11	16,649.50	4,027.98	31.9%
SFLA	2,381.6	2,000.00	1,890.06	366.72	4	1,099.25	5,835.76	191.65	5,547.67	(288.09)	-4.9%
TALL	8,953.9	2,000.00	7,105.91	1,378.72	8	2,198.50	11,278.46	720.51	13,403.64	2,125.18	18.8%
VALE	33,276.4	2,000.00	26,408.51	5,123.88	0	0.00	20,900.00	0.00	30,400.00	9,500.00	45.5%



FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

# Risk Management Council Meeting

*Friday, June 18, 2021*

*FCSRMC Mission Statement:*

*FCSRMC delivers comprehensive and innovative enterprise-wide risk management services and solutions to support the educational mission of the Florida College System.*



## Risk Management Council Meeting June 18, 2021

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### AGENDA

#### Action Items:

1. Property/Casualty Program:
  - a. Renewal of Optional Programs:
    1. Allied Health (Student Professional)..... pg 01
    2. Student Accident..... pg 01
    3. Intercollegiate Athletics..... pg 01
2. Employee Benefit Plans:
  - a. Employee Benefit Plans Audit:
    1. James Moore 2020 Audit..... pg 06
    2. Management Letter..... pg 28
    3. Actuary Letter..... pg 32
    4. State Reserve Approval Letter..... pg 38

#### Information Items:

3. Property/Casualty Program:
  - a. Hurricane Sally Update..... pg 40
  - b. Stewardship Report..... pg 42
4. Employee Benefit Plans:
  - a. Self-Insured Health Program:
    1. Cost & Utilization Highlights..... pg 68
    2. Benchmark..... pg 77
  - b. COVID Report Update..... pg 79
  - c. EBP Workshop Results..... pg 81
  - d. Self-Billing Invoices & Monthly Payments..... pg 145
5. Financial Statements:
  - a. Property/Casualty Program..... pg 147
  - b. Employee Benefit Plans..... pg 151
  - e. Investment Program..... pg 155
6. Miscellaneous:
  - a. Operations Committee Members..... pg 178

Action Item 1.a.(1.-3.)  
Property/Casualty Program

Renewal of Optional Programs:

1. Allied Health (Student Professional)
2. Student Accident
3. Intercollegiate Athletics

## ACTION

Council of Presidents - Risk Management Council  
June 18, 2021

Action Item: 1.a.(1.-3.)

### *Property/Casualty Program*

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Renewal of Optional Programs

1.a.(1.-3.)

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Motion to ratify the Renewal of Optional Programs as submitted:

1. Allied Health (Student Professional)
2. Student Accident
3. Intercollegiate Athletics

Discussion:

AFC to provide voting results.



## Optional Programs Renewal 2021-2022

		2019-2020	2020-2021	2021-2022 Proposed	Premium Difference
<b>5.d.1) Allied Health (Professional)</b>					
Coverage is with CNA; rate is per student		\$8.15	\$8.15	<b>\$8.15</b>	\$0.00 0.00%
\$50 Charge for each facility to be shown as Additional Insured		\$50	\$50	<b>\$50</b>	\$0 0.00%
Claims are handled by the insurance carrier					
Coverage limits - \$2,000,000/\$5,000,000 per college; no college deductible applies					
Option to formalize \$1M/\$3M limit for non-medical curriculums; no claims to date - 15% charge				<b>\$9.38</b>	
Premium based on census of reported students and additional insureds					
<b>5.d.2) Student Accident</b>					
Coverage was moved to QBE in 2017; rate is per student		\$4.75	\$4.75	<b>\$4.75</b>	\$0.00 0.00%
Limit was increased to \$25,000 in 2017 vs. \$15,000					
Claims are handled by A-G Administrators; cost is included in the premium					
\$0 deductible applies; coverage is excess					
Premium based on census of reported students					
<b>5.d.3) Intercollegiate Athletics</b>					
	Basic	\$1,907,950	\$1,497,181	<b>\$1,497,181</b>	\$0 0.00%
Coverage is with Mutual of Omaha through Dissinger Reed					
Claims are handled by Mutual of Omaha					
\$0 deductible applies; coverage is excess					
Coverage/limits remain same - \$25,000 per incident/\$1,000,000 Air Travel Aggregate					
Option to add Soccer for PHSC - \$19,000				<b>\$1,516,181</b>	
Catastrophic limit is \$5M based on a lifetime benefit period; \$6,625 per college	Catastrophic	\$140,954	<b>\$139,125</b>	<b>\$139,125</b>	\$0 0.00%
Total Intercollegiate Athletic Premium		<u>\$2,048,904</u>	<u>\$1,636,306</u>	<b><u>\$1,636,306</u></b>	<u>\$0</u> <u>0.00%</u>
Total Intercollegiate Athletic Premium including addition for PHSC				<b>\$1,655,306</b>	
(Premium could change if participation increases/decreases by 10% or more of student count of 2,178 or if another college or sport is added or removed)					
<b>INDIVIDUAL COLLEGE BASIC PREMIUM IS BASED ON A BLENDED ACTUARIAL BASED ALLOCATION --COLLEGE PREMIUMS WILL VARY ABOVE OR BELOW THE 0% INCREASE FOR THE BASIC COVERAGE.</b>					
Excess Expanded Activities Coverage for Cheerleaders was implemented in 2015. ICS coverage is restricted to activities performed as part of an ICS activity. \$15 per cheerleader; \$1,000 Minimum Premium. \$250 reducing deductible applies. \$500,000 Accidental Medical Expense; \$10,000 AD&D	Expanded Activities	<u>\$1,000</u>	<u>\$1,000</u>	<b><u>\$1,000</u></b>	<u>\$0</u> <u>0.00%</u>
Option for Cat Coverage excess of \$500,000 available - working to finalize				<b>\$2,416</b>	

Action Item 2.a.(1.-4.)  
Employee Benefit Plans Audit

1. James Moore 2020 Audit
2. Management Letter
3. Actuary Letter
4. State Reserve Approval Letter

## ACTION

**Council of Presidents - Risk Management Council  
June 18, 2021**

**Action Item: 2.a.(1.-4.)**

### ***Employee Benefit Plans***

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FCSRMC Annual Audit – Employee Benefit Plans

2.a.(1.-4.)

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Motion to ratify the Employee Benefit Plans Audit as submitted:

1. James Moore 2020 Audit:  
Financial Statements – no findings and no recommendations for modifications.
2. Management Letter:  
No reported discrepancies or deficiencies.
3. Actuary Letter:  
The plans surplus exceeds the OIR's 60-day safe harbor surplus threshold by 25 days.
4. State Reserve Approval Letter:  
Filing was ACCEPTED as being compliant with the state requirements of Section 112.08, F.S.

Discussion:

AFC to provide voting results.

**FLORIDA COLLEGE SYSTEM RISK  
MANAGEMENT CONSORTIUM  
EMPLOYEE BENEFIT PLANS  
  
FINANCIAL STATEMENTS  
  
DECEMBER 31, 2020 AND 2019**

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
EMPLOYEE BENEFIT PLANS  
FINANCIAL STATEMENTS  
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## INDEPENDENT AUDITORS' REPORT

To the Risk Management Council and Operations Committee,  
Florida College System Risk Management Consortium:

### Report on the Financial Statements

We have audited the accompanying financial statements of the Florida College System Risk Management Consortium Employee Benefit Plans, which comprise the statements of net position as of December 31, 2020 and 2019, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Florida College System Risk Management Consortium Employee Benefit Plans management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida College System Risk Management Consortium Employee Benefit Plans as of December 31, 2020 and 2019, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

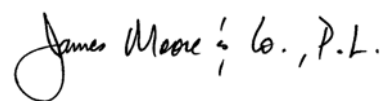
### *Other Information*

Management has omitted the schedule of supplemental revenues, expenses and claim development information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021 on our consideration of the Florida College System Risk Management Consortium Employee Benefit Plans' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Florida College System Risk Management Consortium Employee Benefit Plans' internal control over financial reporting and compliance.

Gainesville, Florida  
May 11, 2021



**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
EMPLOYEE BENEFIT PLANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020 AND 2019**

This discussion provides an assessment by management of the current financial position and results of operations for the Florida College System Risk Management Consortium - EBP Plan (the "Consortium") Employee Benefit Plans (EBP). Management encourages readers to consider the information presented here in conjunction with additional information included in the accompanying financial statements and notes to the financial statements.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Consortium's basic financial statements, which consists of the statements of net position, statements of revenues, expenses, and changes in net position, and the statements of cash flows. This report also contains other supplementary information in addition to the basic financial statements.

The *statements of net position* presents information reflecting the Consortium's assets and liabilities, with the difference between the two reported as the total net position. Increases or decreases in the reported net position may serve as a useful indicator of the Consortium's financial position.

The *statements of revenues, expenses and changes in net position* present information showing how the Consortium's revenues and expenses affected the total net position during the current year. All revenue and expenses are recorded as soon as they have been incurred, regardless of the timing of related cash flows.

The *statements of cash flows* present information regarding the cash receipts and payments that occurred throughout the year. The statements show the cash effects of operating and investing transactions during a given period.

**Financial Highlights**

The management of the Consortium offers readers of its EBP's financial statements this narrative overview and analysis of the financial activities of the entity for the years ended December 31, 2020, 2019, and 2018:

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020 vs. 2019 Change</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 34,667,035	\$ 33,766,680	\$ 32,856,966	\$ 900,355
Investments	10,934,999	10,438,025	9,910,693	496,974
Other assets	11,940,230	7,201,642	6,145,349	4,738,588
Capital assets, net	27,304	24,444	5,559	2,860
Total assets	<u>57,569,568</u>	<u>51,430,791</u>	<u>48,918,567</u>	<u>6,138,777</u>
<b>Liabilities</b>				
Reserve for losses and loss adjustment expense	24,786,260	23,605,195	23,969,471	1,181,065
Other liabilities	3,761,880	2,122,672	1,876,640	1,639,208
Total liabilities	<u>28,548,140</u>	<u>25,727,867</u>	<u>25,846,111</u>	<u>2,820,273</u>
<b>Net Position</b>				
Net investment in capital assets	27,304	24,444	5,559	2,860
Unrestricted	28,994,124	25,678,480	23,066,897	3,315,644
Total net position	<u>\$ 29,021,428</u>	<u>\$ 25,702,924</u>	<u>\$ 23,072,456</u>	<u>\$ 3,318,504</u>



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**Assets**

Cash and cash equivalents increased by approximately \$900 thousand or 2.7% during 2020 due to two months of claim expenses being paid after calendar year end offset by \$1.2 million of pharmacy rebate received in advance. 2019 showed an approximate increase of \$910 thousand or 2.8% due to two months of claims expenses being paid after the calendar year end and offset by \$1.6 million of premiums received in advance.

Investments increased approximately \$497 thousand or 4.8% during 2020, which is slightly lower than the prior year. The reduction is primarily the result of the decrease on unrealized gains on investments. The returns on investments for the year are reinvested by long-term portfolio managers. For the year ended December 31, 2020, other assets increased from the prior year by approximately \$4.7 million primarily due to the timing of college premium payments offset with an increase in the estimated pharmacy rebate. Likewise, in the prior year, other assets increased by approximately \$1.0 million due to the timing of the college premium payments offset with an increase in the estimated pharmacy rebate.

**Liabilities**

Total liabilities as of December 31, 2020 increased approximately \$2.8 million from December 31, 2019 primarily due to the timing of the payment of claims expenses and premiums ceded to reinsurers for the last month of the calendar year. Total liabilities as of December 31, 2019 decreased approximately \$118 thousand from December 31, 2018 primarily due to the timing of the payment of claim expenses for the last two months of the calendar year.

**Net Position**

The EBP experienced an increase in total net position of approximately \$3.3 million for the year ended December 31, 2020, due to an increase in pharmacy rebate recoveries and increase in premiums collected. For 2019, total net position increased approximately \$2.6 million due to an increase in pharmacy rebate recoveries and a reduction in reserve for losses.

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020 vs. 2019 Change</b>
Premium received, net	\$ 107,573,392	\$103,994,138	\$101,773,614	\$ 3,579,254
Insured claims	98,762,232	95,971,272	94,515,564	2,790,960
Claims adjustment/servicing fees	5,766,952	5,875,916	5,778,889	(108,964)
Administrative expenses	1,022,816	911,896	970,614	110,920
Total operating expenses	105,552,000	102,759,084	101,265,067	2,792,916
<b>Operating income</b>	<b>2,021,392</b>	<b>1,235,054</b>	<b>508,547</b>	<b>786,338</b>
Net investment income	1,297,112	1,395,414	648,926	(98,302)
<b>Change in net position</b>	<b>3,318,504</b>	<b>2,630,468</b>	<b>1,157,473</b>	<b>688,036</b>
<b>Net position, beginning of year</b>	<b>25,702,924</b>	<b>23,072,456</b>	<b>21,914,983</b>	<b>2,630,468</b>
<b>Net position, end of year</b>	<b>\$ 29,021,428</b>	<b>\$ 25,702,924</b>	<b>\$ 23,072,456</b>	<b>\$ 3,318,504</b>

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**Operating Revenues**

The EBP saw an overall increase in premium revenue for 2020 of \$3.6 million due primarily to a 5% greater increase in premium rates. In 2019, the EBP saw an overall increase in premium revenues of \$2.2 million due primarily to a 7.19% greater increase in rates.

**Operating Expenses**

Actual and estimated incurred claims, net of recoveries, comprise of approximately 93.6% and 93.4% of the EBP's total expenses in 2020 and 2019, respectively. For the years ended December 31, 2020 and 2019 total actual and estimated incurred claims, net of recoveries, increased by approximately \$2.8 million and \$1.4 million, or 2.9% and 1.5% over the prior year.

Claim adjustment and servicing fees decreased \$109 thousand due to the decrease in specialty pharmacy utilization and high cost claimants. Multiyear service fee agreements hold rates consistent and minimal changes in participant enrollment trends assist in minimizing the fluctuation in claim servicing fees expense.

Administrative expenses increased by approximately \$110 thousand in 2020 primarily due to an increase in professional services and service contract agreements. In 2019, administrative expenses had decreased by approximately \$97 thousand primarily due to staffing changes.

**Nonoperating Revenues and Expenses**

In 2020, the EBP earned approximately \$1.0 million in interest income, experienced \$49 thousand in realized gain, and \$193 thousand in unrealized gains for a net investment gain of \$1.3 million. In 2019, the EBP earned approximately \$1.1 million in interest income, experienced \$3 thousand in realized losses, and \$279 thousand in unrealized gains for a net investment gain of \$1.4 million.

**Economic Factors That Will Affect the Future**

Like many health insurance plans, the EBP has experienced higher than anticipated claims cost the past couple of years with significant increases in high cost cases (\$100,000+) and pharmacy expenses. Member covered medical claim costs have been reduced through Florida Blue negotiated network provider discounts.

The insurance industry monitors healthcare costs by establishing a percentage of cost increases known as "trend". Trend is the forecast change in health plans' per capita claims cost determined by insurance carriers, managed care organizations, and third-party administrators. Many factors influence trend, including the following:

- Price inflation
- The leveraging effect of fixed deductibles and copayments
- Cost-shifting from government programs and the uninsured
- Utilization increases due to aging, product promotion, and improved diagnostic services
- The availability and use of more expensive drug therapies
- Government mandated benefits and other legislative changes
- Advances in medical technologies

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The most recent Benchmark Report as certified by actuarial firm Milliman USA indicates that the EBP's member claim cost share is more favorable than the regional, industry and national comparisons

The EBP's average annual rate changes versus the market place are as follows:

<b>Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020**</b>
<b>EBP</b>	8.00%	5.00%	5.80%	5.22%	4.88%	7.19%	5.53%
<b>Market Place*</b>	8.67%	8.38%	8.40%	8.60%	7.01%	6.75%	7.00%

\*Weighted results from Oliver Wyman trend survey of insurance carriers.

\*\*Market Place rate is projected.

Since premium rates for the following plan year are set in August, the rate setting process applies trend factors for claims incurred through April or at the latest May. The medical trend applied by the EBP's actuaries for calculating the 2020 rates was 7% for active employees. The medical trend rate applied by the EBP's actuaries for calculating the 2019 rates was 7% for active employees. The prescription drug trend used for setting 2020 and 2019 rates was 7% and 7%, respectively for active employees.

In the commercial health industry, "medical loss ratio" (MLR) measures the percentage of each premium dollar that is spent on providing healthcare to their customers versus administrative costs. The medical loss ratio is a basic indicator of an insurer's efficiency in delivering services. The ACA establishes a minimum loss ratio of 80% for the individual and small group health insurance segments, and 85% for the large group segment. The EBP's MLR was 96% in 2020 and 91% in 2019.

### **Request for Information**

Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Vice President for Administrative Affairs/CFO, Santa Fe College, 3000 Northwest 83<sup>rd</sup> Street, Gainesville, Florida 32606.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
EMPLOYEE BENEFIT PLANS  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 34,667,035	\$ 33,766,680
Investments	10,934,999	10,438,025
Accrued interest receivable	96,598	124,007
Premiums, recoveries and rebate receivables	11,423,132	7,077,635
Prepaid expenses and deposits	420,500	-
Total current assets	<u>57,542,264</u>	<u>51,406,347</u>
<b>Capital assets, net</b>	27,304	24,444
<b>Total Assets</b>	<u><u>\$ 57,569,568</u></u>	<u><u>\$ 51,430,791</u></u>
<b><u>LIABILITIES</u></b>		
<b>Liabilities</b>		
Claims payable	\$ 17,699,458	\$ 17,456,833
Incurred but not reported (IBNR) claims reserve	7,086,802	6,148,362
Accounts payable and accrued liabilities	2,551,549	1,863,388
Unearned revenue	1,210,331	259,284
Total liabilities	<u><u>\$ 28,548,140</u></u>	<u><u>\$ 25,727,867</u></u>
<b><u>NET POSITION</u></b>		
<b>Net Position</b>		
Net investment in capital assets	\$ 27,304	\$ 24,444
Unrestricted	<u>28,994,124</u>	<u>25,678,480</u>
Total net position	<u><u>\$ 29,021,428</u></u>	<u><u>\$ 25,702,924</u></u>

The accompanying notes to financial statements  
are an integral part of these statements.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
EMPLOYEE BENEFIT PLANS  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Operating revenues</b>		
Premiums received, net	\$ 107,573,392	\$ 103,994,138
Investment income	1,297,112	1,395,414
Total operating revenue	<u>108,870,504</u>	<u>105,389,552</u>
<b>Operating expenses</b>		
Insured claims	98,762,232	95,971,272
Claims adjustment/servicing fees	5,766,952	5,875,916
Total incurred losses	<u>104,529,184</u>	<u>101,847,188</u>
Administrative expenses	1,022,816	911,896
Total operating expenses	<u>105,552,000</u>	<u>102,759,084</u>
<b>Change in net position</b>	3,318,504	2,630,468
<b>Net position, beginning of year</b>	25,702,924	23,072,456
<b>Net position, end of year</b>	<u><u>\$ 29,021,428</u></u>	<u><u>\$ 25,702,924</u></u>

The accompanying notes to financial statements  
are an integral part of these statements.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
EMPLOYEE BENEFIT PLANS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Revenue collected:		
Earned premiums	\$ 104,178,942	\$ 103,128,248
Investment income	1,081,938	1,051,757
Payment for expenses:		
Losses and loss adjustment expenses	(103,348,119)	(102,211,464)
General and administrative expenses	(748,210)	(777,494)
Net cash provided by operating activities	<u>1,164,551</u>	<u>1,191,047</u>
<b>Cash flows from capital and related financing activities</b>		
Purchases of capital assets	(27,304)	(29,166)
Proceeds from sale of capital assets	17,499	-
Net cash used in capital and related financing activities	<u>(9,805)</u>	<u>(29,166)</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(6,198,292)	(7,511,179)
Proceeds from sale of investments	5,943,901	7,259,012
Net cash used in investing activities	<u>(254,391)</u>	<u>(252,167)</u>
<b>Net change in cash and cash equivalents</b>	900,355	909,714
<b>Cash and cash equivalents, beginning of year</b>	33,766,680	32,856,966
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 34,667,035</u></u>	<u><u>\$ 33,766,680</u></u>
<b>Reconciliation of change in net position to net cash provided by operating activities:</b>		
Change in net position	<u>\$ 3,318,504</u>	<u>\$ 2,630,468</u>
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	6,945	10,281
Net realized (gains) losses on sales of investments	(49,383)	3,489
Net unrealized (gains) losses on investments	(193,200)	(278,654)
Changes in assets and liabilities:		
Accrued interest receivable	27,409	(68,492)
Premiums, recoveries and rebate receivables	(4,345,497)	(1,125,174)
Prepaid expenses and deposits	(420,500)	137,373
Claims payable	242,625	(57,894)
Liability for losses incurred	938,440	(306,382)
Unearned revenue	951,047	259,284
Accounts payable and accrued liabilities	688,161	(13,252)
Total adjustments	<u>(2,153,953)</u>	<u>(1,439,421)</u>
Net cash provided by operating activities	<u><u>\$ 1,164,551</u></u>	<u><u>\$ 1,191,047</u></u>

The accompanying notes to financial statements  
are an integral part of these statements.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM**  
**EMPLOYEE BENEFIT PLANS**  
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**(1) Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies of Florida College System Risk Management Consortium, which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Florida College System Risk Management Consortium (the “Consortium”) was created by mutual agreement of 27 Florida College System Boards of Trustees for the purpose of joining in cooperative effort to develop, implement and participate in a coordinated statewide college system risk management program. The Consortium is not a legal entity and the colleges are ultimately responsible for all insurance risks not transferred through reinsurance contracts. No insurance risk is transferred to the Consortium, which administers the self-insurance programs. The Consortium manages self-insurance, specific insurance and excess insurance for participating colleges in the Property and Casualty Programs, Employee Benefit Programs and Optional Programs. The Consortium administers the programs under two separate plans: the Employee Benefits Plan (“EBP”) and the Property and Casualty Plan. The information contained in these financial statements relates to the EBP.

The colleges also retain all rights granted by Florida law, including that of sovereign immunity which limits lawsuits for damages against them to \$200,000 per person and \$300,000 per occurrence. The Florida College System Risk Management Council, comprised of representatives of member colleges, is charged with the overall responsibility for the administration of the risk management program which includes the establishment and approval of policies, guidelines and procedures for administering the self-insured and fully insured programs. The Risk Management Operations Committee consists of nine voting members and three non-voting members consisting of a representative from the Division of Florida Colleges, a representative of the Fiscal Agent, and the Executive Director of the Consortium. The Committee provides overall supervision of the risk management program and associated activities. The Fiscal Agent, one of the member colleges (see Note 9), has the responsibility for receiving, disbursing, and administering all the monies due to or payable for the risk management consortium program in accordance with the policies and procedures adopted by the Risk Management Council consistent with Florida Statutes. The EBP had 22 member colleges in 2020 and 2019.

(b) **Measurement focus, basis of accounting, and financial statement presentation**—The financial statements of the Consortium have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under these methods, revenues are recorded when earned and expenses are recognized when they are incurred.

The Consortium distinguishes operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated from the primary administrative operations of the Consortium. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the administrative operations of the Consortium. All other expenses are reported as nonoperating expenses.

The Consortium follows the GASB codification.

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(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Cash and cash equivalents**—Cash and cash equivalents consist of cash maintained in the Fiscal Agent's demand account, funds invested with the State Board of Administration (SBA) Florida PRIME investment pool, and the State Treasury Special Purpose Investment Account (SPIA). For purposes of reporting cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less when purchased. Under this definition, the Consortium considers amounts invested in SPIA and SBA Florida PRIME investment pool to be cash equivalents. Cash deposits are held in banks qualified as public depositories under Florida law.

All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

(d) **Investments**—The Fiscal Agent's Board of Trustees has adopted a written investment policy providing that surplus funds of the Consortium shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the Consortium is authorized to invest in the Florida PRIME investment pool administered by the SBA; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the Consortium's Board of Trustees, as authorized by law.

For purposes of cash flows, the funds held in the managed investment accounts, including money market funds which are available on demand, are not considered to be cash equivalents due to management's intent that such funds be held for long-term investment.

(e) **Premiums, recoveries and rebate receivables**—Receivables of \$5,410,845 and \$1,543,979 are due from member colleges with an additional \$177,673 and \$776,651 due from Florida Blue at December 31, 2020 and 2019, respectively. These receivables are carried at billed amounts, which is realizable value. Pharmacy rebates are received quarterly up to a year in arrears of the associated pharmacy claims paid, and are carried at estimated value, based on a rolling average of historical receipts, until actually received. At December 31, 2020 and 2019, receivables include \$5,834,614 and \$4,757,005, respectively, in estimated pharmacy rebates for the last four quarters. The Consortium has recorded no allowance for doubtful accounts as of December 31, 2020 and 2019.

(f) **Prepaid expenses and deposits**—Prepaid expenses and deposits of \$420,500 at December 31, 2020, represent amounts paid for employer contributions for employee health savings accounts. These prepayments are related to two member colleges that will begin to offer these accounts to employees in 2021. The Consortium did not have any prepaid expense at December 31, 2019.

(g) **Capital assets**—Property and equipment is stated at cost less accumulated depreciation. The Consortium has a capitalization threshold of \$5,000 for tangible personal property and \$25,000 for leasehold improvements. Expenditures for repairs and maintenance are charged to expense as they are incurred. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Leasehold Improvements - 10 years or the associated lease period if shorter
- Property and Equipment - 3 to 5 years

Depreciation expense was \$6,945 in 2020 and \$10,281 in 2019. No further detail note has been prepared for capital assets due to the immaterial balance to the Consortium's financial statements.



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(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Claims payable**—Claims payable reflects liabilities of the Consortium for which invoices have been received from the third-party administrator for claims activity incurred and reported.

(i) **Compensated absences**—All employees are employed by the Fiscal Agent. Employee leave and attendance policies include provisions for granting specified numbers of sick and vacation leave days with pay each year. Such leave not taken may become payable upon termination of employment. The liability for leave not taken, included in accounts payable and accrued liabilities on the accompanying statements of net position, amounted to \$120,367 and \$103,344 at December 31, 2020 and 2019, respectively.

(j) **Claims incurred but not reported (“IBNR”)**—The IBNR claims reserve represents the best estimate of the amount of future claims related to services provided in the current accounting period. The IBNR claim reserve is estimated based upon claims projections utilizing certain studies of the historical claims data.

Given the considerable amount of uncertainty inherent in such accounting estimates, the subsequent development of the IBNR claims reserve may not conform to the assumptions inherent in the determination. The ultimate liability could be significantly in excess of or less than the amount indicated in the financial statements, and it is at least reasonably possible that changes in the estimate in the near term would be material to the financial statements.

(k) **Recognition of premium revenues**—Premium revenues are recognized on a monthly basis based on plan enrollments.

(l) **Estimates**—The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(m) **Income taxes**—Federal and state statutes exempt state supported colleges and universities from income tax liability. Since the Florida College System Risk Management Consortium consists solely of state supported colleges, it is exempt from any income tax liability.

(n) **Recent accounting pronouncements**—The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to December 31, 2020, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Consortium’s financial statements.

GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
EMPLOYEE BENEFIT PLANS  
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**(2) Cash and Cash Equivalents:**

The Consortium reported as cash equivalents \$33,469,545 and \$32,135,340 at December 31, 2020 and 2019, respectively, of monies held in the State Treasury SPIA investment pool representing ownership of a share of the pool. The SPIA carried a credit rating of AA-f by Standard and Poor's. The Consortium relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury SPIA investment pool are included in the notes to the financial statements of the State's Comprehensive Annual Financial Report.

At December 31, 2020 and 2019, the Consortium reported as cash equivalents \$8,769 and \$8,703, respectively, of monies held in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The Consortium's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than underlying investments. At December 31, 2020 the Florida PRIME investment pool carried a credit rating of AAAm by Standard and Poor's and had a weighted average maturity (WAM) of 48 days. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in Florida PRIME investment pool are reported at amortized cost.

**(3) Investments:**

Investments of the Consortium at December 31, 2020 and 2019, are reported at fair value in the following tables below.

The Consortium categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Consortium has the following recurring fair value measurements as of December 31, 2020 and 2019:

<b>December 31, 2020</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investments</b>				
US Treasury Notes	\$ 2,171,136	\$ 2,171,136	\$ -	\$ -
US Guaranteed Obligations and Government Sponsored Agencies	2,074,402	-	2,074,402	-
Corporate Notes	4,698,205	-	4,698,205	-
Federal Agency Collateralized Mortgage Obligations	679,261	-	679,261	-
Asset-Backed Securities	550,346	-	550,346	-
Mortgage-Backed Securities	654,282	-	654,282	-
Money Market Funds	67,891	-	67,891	-
Municipal Issues	39,476	-	39,476	-
Total investments at fair value	<u>\$ 10,934,999</u>	<u>\$ 2,171,136</u>	<u>\$ 8,763,863</u>	<u>\$ -</u>

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
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(3) **Investments:** (Continued)

<b>December 31, 2019</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investments</b>				
US Treasury Notes	\$ 2,525,312	\$ 2,525,312	\$ -	\$ -
US Guaranteed Obligations and Government Sponsored Agencies	562,406	-	562,406	-
Corporate Notes	5,039,492	-	5,039,492	-
Federal Agency Collateralized Mortgage Obligations	503,905	-	503,905	-
Foreign Notes	61,414	-	61,414	-
Asset-Backed Securities	917,398	-	917,398	-
Mortgage-Backed Securities	741,107	-	741,107	-
Money Market Funds	86,991	-	86,991	-
Total investments at fair value	<u>\$ 10,438,025</u>	<u>\$ 2,525,312</u>	<u>\$ 7,912,713</u>	<u>\$ -</u>

The following risks apply to investments:

*Interest Rate Risk:* Interest rate risk is the risk that changing interest rates will adversely affect the fair value of an investment. The investment policy of the Consortium limits the maximum effective duration of the aggregate portfolio to three years. The performance benchmark for the Consortium is the Merrill Lynch 1 - 5 Year U.S. Treasury Index.

The Merrill Lynch 1-5 Year U.S. Treasury Index effective duration was 2.59 at December 31, 2020 and 2.55 at December 31, 2019. The effective duration of the Consortium's portfolio at December 31, 2020 and 2019, respectively, was 2.65 and 2.58 years. Recognizing that market volatility is a function of duration, the investment policy of the Consortium also states that the portfolio is to be maintained as short- to intermediary-term duration portfolio. The maximum duration of floating rate and individual securities is limited to five and a half years from the date of purchase. At December 31, 2020, the Consortium's longest individual security effective duration was 4.78 years.

The scheduled maturities of securities at fair value are as follows:

	<b>2020</b>	<b>2019</b>
Due in one year or less	\$ 723,221	\$ 183,923
Due in 1 – 5 years	9,208,745	9,163,726
Due in more than 5 years	1,003,033	1,090,376
Total	<u>\$ 10,934,999</u>	<u>\$ 10,438,025</u>

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
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**(3) Investments:** (Continued)

At December 31, 2020, the investments of the Consortium in obligations of the United States Government and Government-sponsored enterprises, Federal agency collateralized mortgage obligations, corporate notes, mortgage-backed pass-throughs, commercial paper, foreign notes, asset-backed securities, and money market funds were rated by Standard & Poor's as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Credit Quality Rating</b>
United States Treasury Notes	\$ 2,171,136	N/A
Obligations of United States Government and Government Sponsored Enterprises	2,074,402	AA+
Corporate Notes	4,698,205	BBB to AA+
Federal Agency Collateralized Mortgage Obligations	679,261	AA+
Asset Backed Securities	550,346	AAA
Mortgage-Backed Securities	654,282	AA+
Money Market Mutual Funds	67,891	AAAm
Municipal Issues	39,476	AAA
	<u>\$ 10,934,999</u>	

*Custodial Credit Risk:* Custodial Credit Risk is the risk that, in the event of failure of the counterparty to a transaction, the Consortium will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The investment policy of the Consortium requires that all securities purchased be properly designated as an asset of the Consortium and held in safekeeping by a third party custodial bank or other third party custodial institution. The Consortium's investments are held by a safekeeping agent in the name of the Consortium.

*Concentration of Credit Risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of the Consortium's investment in a single issuer. The investment policy of the Consortium provides that a maximum of five percent of the portfolios individual corporate exposure may be invested in securities of a single issuer, excluding U.S. Government, government agencies, government-sponsored enterprise securities, and money market funds. Disclosure is required of any investments that exceed five percent of total investments. The Consortium has two investments in a governmental agency, Federal Home Loan Mortgage, with fair values of \$1,664,594, or 15.2% of total investments, and \$1,500,794, or 13.7% of total investments.

**(4) Claims Adjustment/Service Fees:**

During 2020 and 2019, the Consortium contracted with Florida Blue to process and pay the claims of the participants in the Consortium self-insurance health plans. For this service, the Consortium pays a specified amount per plan participant per month. In addition, the Consortium has agreed that if the servicing contract is switched to another entity at the end of any contract year, then they will pay Florida Blue a fixed percentage of all claims processed after the contract year ends but incurred during the contract period. That fixed percentage was 7.9% at December 31, 2020. The liability for claims service fees payable is the contractual percentage times the liability for claims incurred but not paid at year end and is included in the liability for losses incurred

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM**  
**EMPLOYEE BENEFIT PLANS**  
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**(5) Claims Liabilities and Incurred Losses:**

Unpaid claims on health policies represent the estimated liability for benefit expenses both reported but not paid and incurred but not reported to the Consortium through December 31. The Consortium does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using historical claims payment patterns and statistical analyses. Those estimates are subject to the effects of trends in claims severity and frequency. Although considerable variability is inherent in such estimates, management believes that the liabilities for unpaid claims are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations. The time frame for processing health claims is generally no more than a few months.

Activity in the liability for unpaid claims and loss adjustment expenses (LAE) is summarized as follows:

	<u>2020</u>	<u>2019</u>
Claims liabilities and incurred losses at beginning of year	\$ 23,605,195	\$ 24,095,026
Less: Reinsurance recoverable on unpaid losses	-	125,555
Net balance at beginning of year	<u>23,605,195</u>	<u>23,969,471</u>
Claims incurred related to:		
Current year	100,104,115	97,435,724
Prior year	<u>1,735,662</u>	<u>(319,096)</u>
Total incurred and LAE	<u>101,839,777</u>	<u>97,116,628</u>
Claims paid related to:		
Current year	76,156,923	74,926,096
Prior year	<u>24,501,789</u>	<u>22,554,808</u>
Total paid and LAE	<u>100,658,712</u>	<u>97,480,904</u>
Net balance at end of year	24,786,260	23,605,195
Add: Reinsurance recoverable on unpaid losses	-	-
Gross balance at end of year	<u>\$ 24,786,260</u>	<u>\$ 23,605,195</u>
Total liability consists of:		
Claims payable	17,699,458	17,456,833
IBNR claims reserve	<u>7,086,802</u>	<u>6,148,362</u>
Total claims liabilities and incurred losses	<u>\$ 24,786,260</u>	<u>\$ 23,605,195</u>

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
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**(6) Reinsurance:**

The Consortium seeks to reduce losses from certain catastrophic or other events that could cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises. All life insurance and certain health insurance is totally ceded to outside insurers. The Consortium maintained stop/loss insurance related to health claims which reimbursed the Consortium for individual claims in excess of \$500,000 in 2020 and \$400,000 in 2019. Such reimbursements are reported as reductions of incurred losses, and the premiums paid to maintain such insurance are reported as reductions of revenue for premiums ceded. The consortium evaluates the financial strength of potential reinsurers and continually monitors the financial condition of reinsurers.

The following table includes premium amounts ceded to other companies:

<b>2020</b>	<b>Premiums Assessed</b>	<b>Premiums Ceded</b>	<b>Net Premiums Earned</b>
Health insurance	\$ 118,938,515	\$ 11,365,123	\$ 107,573,392
Life insurance	2,954,832	2,954,832	-
Total	<u>\$ 121,893,347</u>	<u>\$ 14,319,955</u>	<u>\$ 107,573,392</u>
<b>2019</b>	<b>Premiums Assessed</b>	<b>Premiums Ceded</b>	<b>Net Premiums Earned</b>
Health insurance	\$ 115,959,752	\$ 11,965,614	\$ 103,994,138
Life insurance	3,029,813	3,029,813	-
Total	<u>\$ 118,989,565</u>	<u>\$ 14,995,427</u>	<u>\$ 103,994,138</u>

**(7) Retirement Benefits:**

The Consortium's employees are employed by the Fiscal Agent. The Consortium does not administer a separate retirement plan for its employees; however, pursuant to law, all salaried employees are members of retirement plans of the State of Florida. The retirement plans accounting and funding policies, actuarial present value of accumulated plan benefits, net assets available for benefits and other related matters are the responsibility of the Florida State Department of Administration, Division of Retirement. Other post-employment benefits (OPEB), primarily subsidized premiums for health insurance, are provided by the Fiscal Agent. The complete disclosures for the retirement plan and OPEB are in the audited financial statements of the Fiscal Agent.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM  
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**(8) Rentals Under Operating Leases:**

The Consortium rents office space under a non-cancellable operating lease that runs through September 30, 2025. The EBP is responsible for 50% of the lease obligation. Total annual rent expense for 2020 and 2019 was \$91,478 and \$88,814, respectively. The following is a schedule by year of future minimum rental payments (the portion the EBP is responsible for) required under the operating lease agreement:

<b>Year Ending December 31,</b>	<b>Amount</b>
2021	\$ 94,222
2022	97,049
2023	99,961
2024	102,959
2025	78,944
	\$ 473,135

**(9) Related Party Transactions:**

The Consortium provides health and life insurance coverage to the 22 member colleges, which are considered related parties. Gross premium revenues assessed with respect to this coverage for the years ended December 31, 2020 and 2019, was \$121,893,347 and \$118,989,565, respectively.

Santa Fe College, the Fiscal Agent, serves as the pay agent for staff who are paid from the Consortium. On a regular basis the Consortium transfers monies to Santa Fe College to cover staff salaries, benefits, and other administrative costs. Administrative costs, which are included in operating expenses in the statement of revenues, expenses and changes in net position, totaled \$1,022,816 and \$911,896 for the years ended December 31, 2020 and 2019, respectively.

**(10) Risks and Uncertainties:**

During the year ended December 31, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppages in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruptions to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surround the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Consortium as of May 11, 2021, management believes that a material impact on the Consortium's financial position and results of future operations is reasonably possible.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,  
Florida College System Risk Management Consortium - EBP Plan  
Employee Benefit Plans:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Florida College System Risk Management Consortium Employee Benefits Plans, which comprise the statements of net position as of December 31, 2020 and 2019, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated May 11, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Florida College System Risk Management Consortium's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florida College System Risk Management Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of Florida College System Risk Management Consortium's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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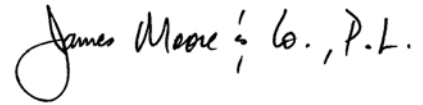


## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Florida College System Risk Management Consortium Plans' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida  
May 11, 2021

## Management Letter

May 11, 2021

To the Finance Committee,  
Florida College System Risk Management Consortium:

We have audited the financial statements of Florida College System Risk Management Consortium Employee Benefit Plans (“the Consortium”) as of and for the year ended December 31, 2020, and have issued our report thereon dated May 11, 2021. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated November 16, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Consortium solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, and our firm has complied with all relevant ethical requirements regarding independence.

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## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Consortium is included in Note 1 to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their applications during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are related to claims incurred but not reported (IBNR) and pharmacy rebate receivable. Management's estimate of IBNR is calculated based upon claims projections utilizing certain studies of the participating entity's historical claims data. Management's estimate of pharmacy rebate receivable is calculated using the most recent rebates received. We evaluated the key factors and assumptions used to develop the pharmacy rebate receivable, reserve for IBNR and related expense, and determined that methods were reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Consortium's financial statements relate to significant estimates and related party transactions.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected misstatements noted as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

To the Finance Committee,  
Florida College System Risk Management Consortium  
May 11, 2021  
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### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Consortium's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain representations from management that are included in the management representation letter dated May 11, 2021.

### **Management's Consultations with Other Accountants**

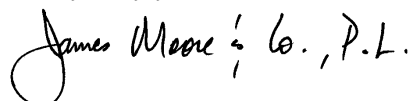
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with the Consortium, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Consortium's auditors.

This report is intended solely for the information and use of the Finance Committee and management of Florida College System Risk Management Consortium - Employee Benefit Plans and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

  
JAMES MOORE & CO., P.L.

## Actuary Report

## **ACTUARIAL MEMORANDUM**

I, Andrew M. Hupfer, am associated with Mercer Health & Benefits, and am a Member of the American Academy of Actuaries. I was asked by the Florida College System Risk Management Consortium to complete certain forms to be filed with the State of Florida Insurance Department, as required by Florida Statute Section 112.08. The material in this memorandum complies with relevant actuarial standards of practice and was prepared for the specific purpose of meeting applicable Florida statutes and filing procedures. This material may not be appropriate for other purposes.

In completing the attached forms, I relied on information supplied by the Consortium's representatives, its Auditor and Blue Cross and Blue Shield representatives.

Note that all estimates (e.g., reserve estimates and future cost projections) are based on information available at a point in time and are subject to random and unforeseen events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate.

In my opinion, this report is complete and accurate, and the techniques and assumptions used are reasonable and meet the requirements and intent of Section 112.08.



Andrew M Hupfer, FSA, MAAA

Mercer Health & Benefits

March 30, 2021

### **ACTUARIAL "SOUNDNESS"**

In my opinion, the Health Plan sponsored by the Florida College System Risk Management Consortium is actuarially sound as of December 31, 2020 because:

1. In addition to an incurred but not paid cash reserve of \$6,418, 257, this plan holds a surplus of \$29,677,361 as of December 31, 2020. Total incurred claims for 2020, excluding stop loss premiums, are \$104,813,064, which yields a 60 day "safe harbor" surplus of \$17,229,545. The actual surplus as of December 31, 2020 far exceeds this amount.
2. Specific stop loss insurance is in place to mitigate any large individual losses.



Andrew M. Hupfer, FSA, MAAA

Mercer Health & Benefits

March 30, 2021



**RESERVING AND RATE ADEQUACY**

**Reserving Adequacy**

The following demonstrates that as of December 31, 2020, the Self-Funded Medical Plan had sufficient reserves to cover liabilities:

	<u>As of December 31, 2020</u>
Assets on Hand	\$ 36,095,618
Outstanding Claim Liability	\$ (6,418,257)
Surplus Assets	\$ 29,677,361

**Contributions Rate Adequacy**

The monthly Contribution Rate Structure in effect on January 1, 2021 varies by college and coverage. Based upon the headcount expected during the upcoming year, this Contribution Rate Structure is projected to produce \$137,504,000 in revenue for the self-funded plan for the year ending December 31, 2021. Note that the PCORI fee (approximately \$41,000) is not built into the rate structure and instead will be paid from surplus assets – this produces an expected loss of the same amount for the 2020 plan year. The page of this Report entitled “Operating Projections for Self-Funded Health Benefit Plans” (OIR-B2-573) demonstrates that this premium revenue, along with anticipated other income and the 2020 Surplus Assets shown above, is projected to be sufficient to end the 2021 year with Surplus Assets of \$29,677,361.

**DATA AND METHODS**

**General**

The Employer’s self-funded health plan is considered, for the purposes of this Actuarial Report, to be funded through a separate funding entity, even though there may be multiple accounts (internal service funds, external checking accounts, etc.). Monies are deposited by the Employer into this funding entity for the purpose of subsequent payment of plan benefits, premiums, expenses and reserving.

Parts of this Report summarize basic accounting data, while other parts require actuarial estimates. There are two areas in which actuarial/statistical estimates are necessary, for the purposes of Section 112.08, Florida Statutes: (a) estimating the dollar amount of claims incurred but not reported (IBNR) or reserve

requirement as of the ends of the current and future Plan Years and (b) projections of the dollar amount of claims expected to be paid during future Plan Years. These figures are combined to derive projections of claims incurred during future years.

### **Incurred But Not Reported (IBNR) Reserve**

As discussed in the Section entitled “Surplus Assets”, the dollar amount of claims incurred prior to the end of a Plan Year but not paid until after the next Plan Year begins is an outstanding liability of the Plan, or its Sponsor, as of the end of that Plan Year.

The magnitude of the IBNR depends on many factors including:

- size and demographics of the covered group,
- terms and benefits of the Plan,
- time of the year in which the Plan year ends,
- the incidence and timing of the incurral of claims,
- the magnitude or the variations in the size of claims incurred,
- the time it takes for employees to submit their claims,
- the time it takes for the Plan Administrator to process the claims, and
- changes in the benefits, the funding method or the administration of the program.

In estimating the IBNR for medical and prescription drug benefits, Mercer used the development method. This method uses previous patterns of payments (number of months from incurred month to paid month) to estimate incurred claims from those paid to date.

The estimated IBNR is a current estimate of a liability for which the ultimate amount will be known 18, 24, or even more months past the valuation date. We have considered the need for a margin for adverse deviation from the best estimate of IBNR based on the variability of claims, including the effect of stop loss coverage on the ultimate net liability. We have added a margin of 8 percent to the estimated unpaid claims for potential adverse deviation.

FCSRMC’s contract with Florida Blue provides for adjudication of claims on an as-received basis. Therefore, FCSRMC has a liability as of the valuation date for the administration of claims incurred but not paid as of the valuation date. This liability is calculated based on an administrative fee of 7.5% of paid claims during the runout period.

### **Projections of Claims Paid**

The other figures which require actuarial or statistical calculations and judgment are the projections of the amount of claims expected to be paid during each of the next two years.

The general approach is to examine the historical claims experience and to make projections based upon that experience, expected inflation, scheduled benefit changes and any changes in the census or demographics of the covered group. The basic data submitted for this purpose included the dollar amount of claims paid (for medical and prescription claims on employees and on dependents) and number of covered employees (with single coverage and with dependent coverage).

The particular overall method employed was to determine an estimated amount of annual claims paid per employee (for medical and Rx combined for 2021) and to trend this amount to 2022 and 2023. The trend used for 2021, 2022, and 2023 was 6.73% for medical and Rx combined.

The projection techniques estimate the annual amount of claims paid for medical and Rx combined per employee for the years ending December 31, 2021 through 2023 as follows:

2021 - \$11,061

2022 - \$11,806

2023 - \$12,601

These figures were then multiplied by the Consortium's best estimates of the average number of employees expected to be covered during each of the next two years.

## State Reserve Approval Letter



## OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES  
COMMISSION

RON DESANTIS  
GOVERNOR

JIMMY PATRONIS  
CHIEF FINANCIAL OFFICER

ASHLEY MOODY  
ATTORNEY GENERAL

NICOLE "NIKKI" FRIED  
COMMISSIONER OF  
AGRICULTURE

DAVID ALTMAIER  
COMMISSIONER

Via email: [jayme.steinbach@mercer.com](mailto:jayme.steinbach@mercer.com)

April 13, 2021

Jayme B Steinbach  
Senior Associate  
Florida Community Colleges Risk Management Consortium  
3031 N. Rocky Point Dr W  
Ste 700  
Tampa, FL 33607

**RE: FLORIDA COMMUNITY COLLEGES RISK MANAGEMENT CONSORTIUM**  
**FILE LOG NUMBER: SIP 21-007180**  
**PLEASE REFER TO THIS FILE NUMBER WHEN CORRESPONDING**

Dear Jayme Steinbach:

The Office of Insurance Regulation has reviewed your annual report for the above referenced plan for plan year ending 12/31/2020, including the statement as to the plan's actuarial soundness. Since the liabilities and assets appear to produce adequate positive surplus, your filing is **ACCEPTED** as being in compliance with the requirements of Section 112.08, F.S. We look forward to receiving your current plan year report no later than 3/31/2022.

Thank you for filing the required information.

Sincerely,

Office of Insurance Regulation

...

FLORIDA OFFICE OF INSURANCE REGULATION • LIFE & HEALTH PRODUCT REVIEW  
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0328 • (850) 413-3152 • FAX (850) 922-3866  
website: [www.flor.com](http://www.flor.com)

Affirmative Action / Equal Opportunity Employer

Information Item 3.a.  
Property/Casualty Program

Hurricane Sally Update



## Hurricane Sally Update

### Hurricane Sally, D/A 9/16/2020

#### Financials:

Claim as of 5-6-2021:

Pensacola State College	\$25,189,176 Estimated Damage \$4,601,626 Paid to PESC
Gulf Coast State College	Minimal damage pending adjuster review

**FCSRMC Estimated Retained Loss      \$5,289,121**

Information Item 3.b.  
Property/Casualty Program  
Stewardship Report





Stewardship Presentation for

**FCSRMC**

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

03/01/2016 - 02/28/2021

**Integrity**

**Experience**

**Results**

# Executive Summary

- Partnership Began: March 1, 2020
- Total Dollars Paid: \$14,483,418.21
- Total Claims Handled: 1,191
- Total Claims Closed: 964
- Tail claims at contract inception: 456
- Tail claims as of 02/28/2021: 184

\*Numbers as of 02/28/2021

# Contents

FCSRMC



Items	Pages
Auto Total Count and Incurred	6
Average Incurred by Line	5
General Liability Total Count and Incurred	7
Percent of Claims by Weekday	24
Property Total Count and Incurred	8
Total Claim Count and Incurred by Coverage	4
Total Claims Count and Incurred by Top 10 Body Part	15 - 17
Total Claims Count and Incurred by Top 10 Cause	21 - 23
Total Claims Count and Incurred by Top 10 Job Titles	12 - 14
Total Claims Count and Incurred by Top 10 Locations	11
Total Claims Count and Incurred by Top 10 Nature	18 - 20
Worker's Compensation Count and Incurred	9 - 10
Workforce Analysis	25

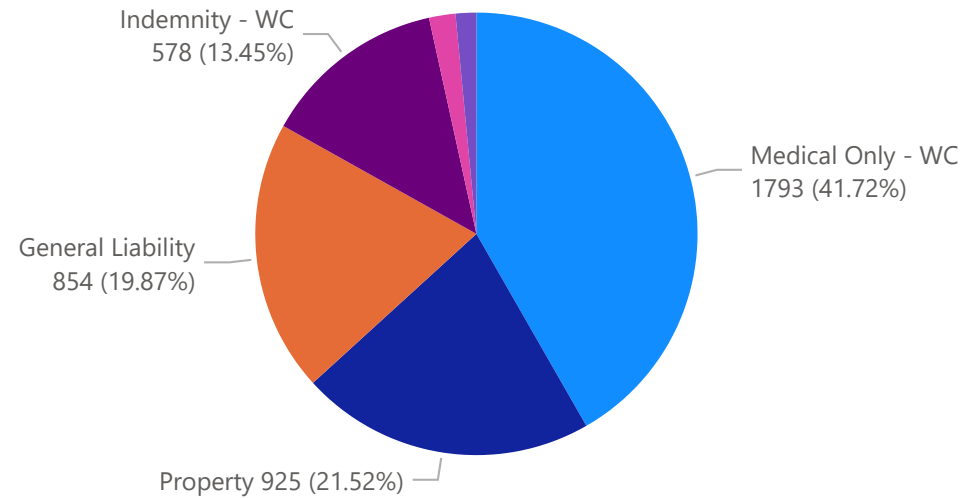


# Total Claim Count and Incurred by Coverage

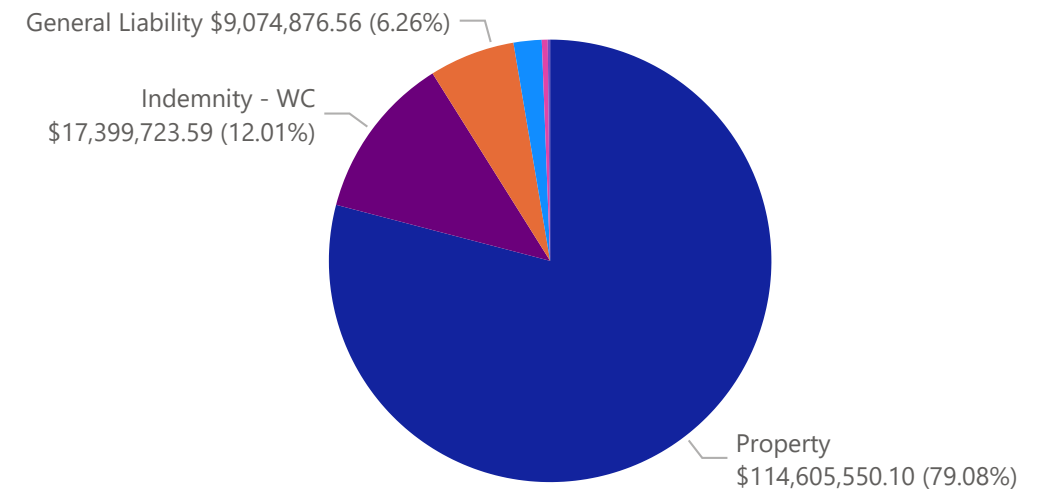
FCSRMC - All Lines

03/01/2016 - 02/28/2021

Claim Count



Severity



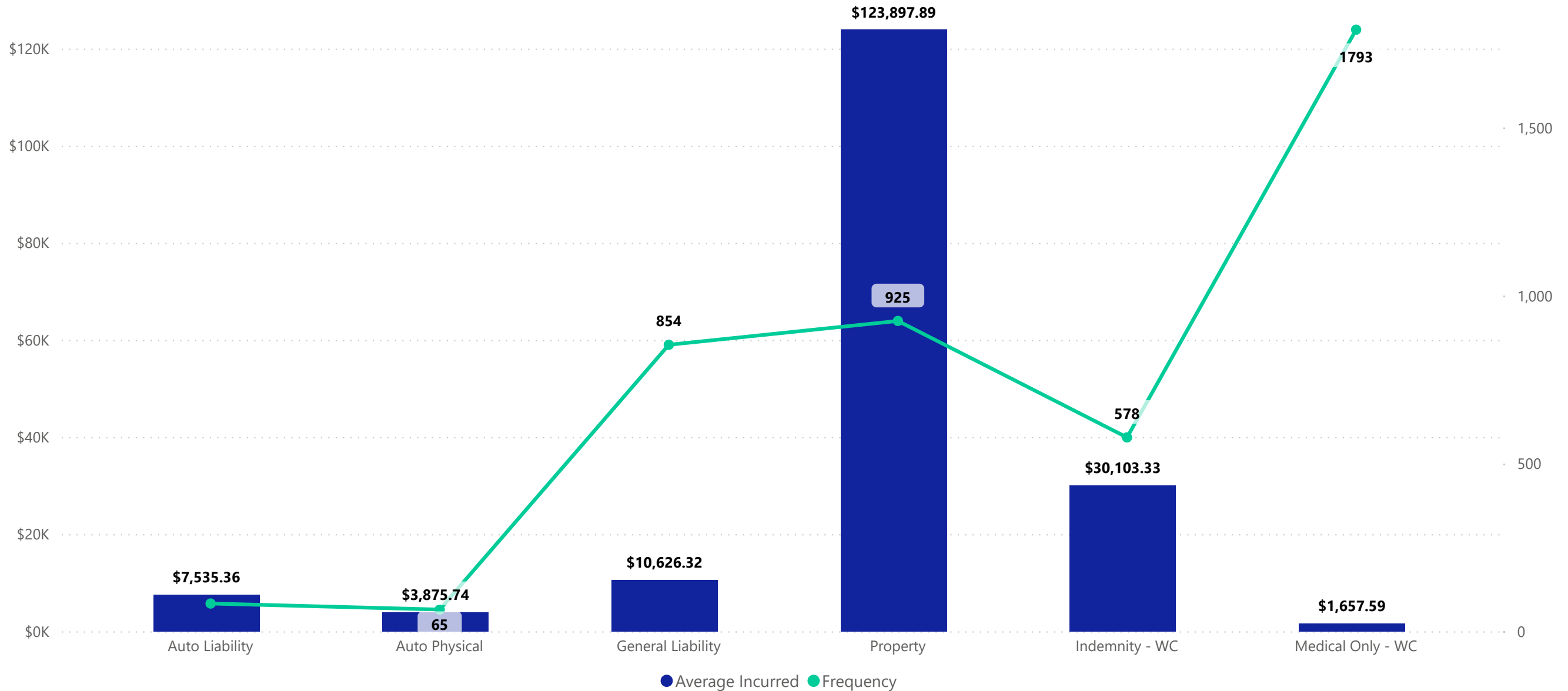
Coverage	Count	Count %	Total Paid	Total Paid %	Total Incurred	Total Incurred %
Auto Liability	83	1.9%	\$574,191.26	0.5%	\$625,435.09	0.4%
Auto Physical	65	1.5%	\$232,915.13	0.2%	\$251,923.10	0.2%
General Liability	854	19.9%	\$7,485,329.03	6.4%	\$9,074,876.56	6.3%
Property	925	21.5%	\$90,414,475.04	77.2%	\$114,605,550.10	79.1%
Indemnity - WC	578	13.4%	\$15,478,522.55	13.2%	\$17,399,723.59	12.0%
Medical Only - WC	1793	41.7%	\$2,878,893.12	2.5%	\$2,972,063.78	2.1%
<b>Total</b>	<b>4298</b>	<b>100.0%</b>	<b>\$117,064,326.13</b>	<b>100.0%</b>	<b>\$144,929,572.22</b>	<b>100.0%</b>



# Average Incurred by Line

FCSRMC - All Lines

03/01/2016 - 02/28/2021

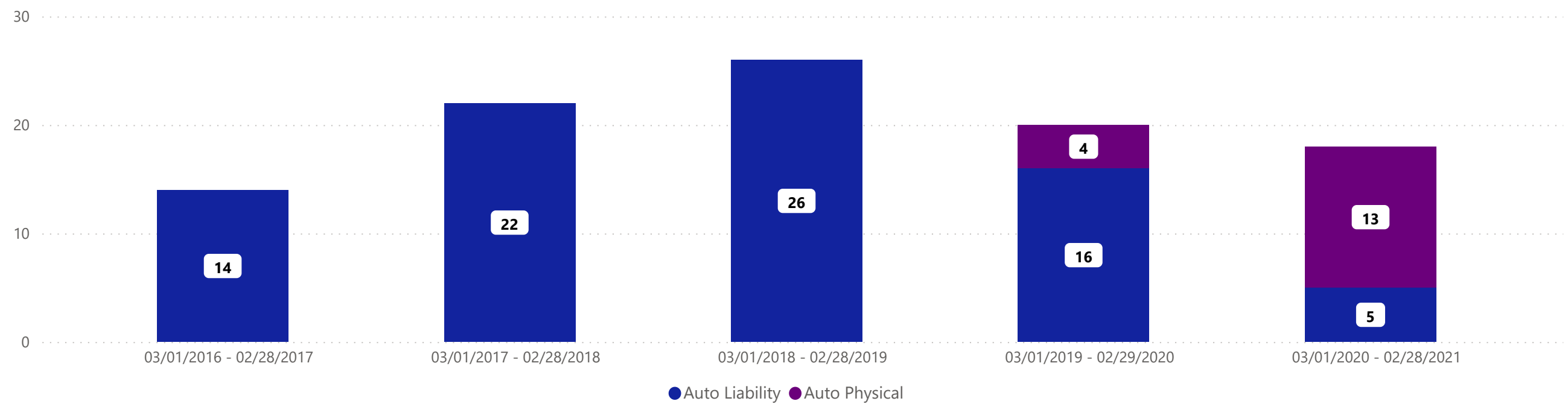


# Auto Total Count and Incurred



FCSRMC - Auto

03/01/2016 - 02/28/2021



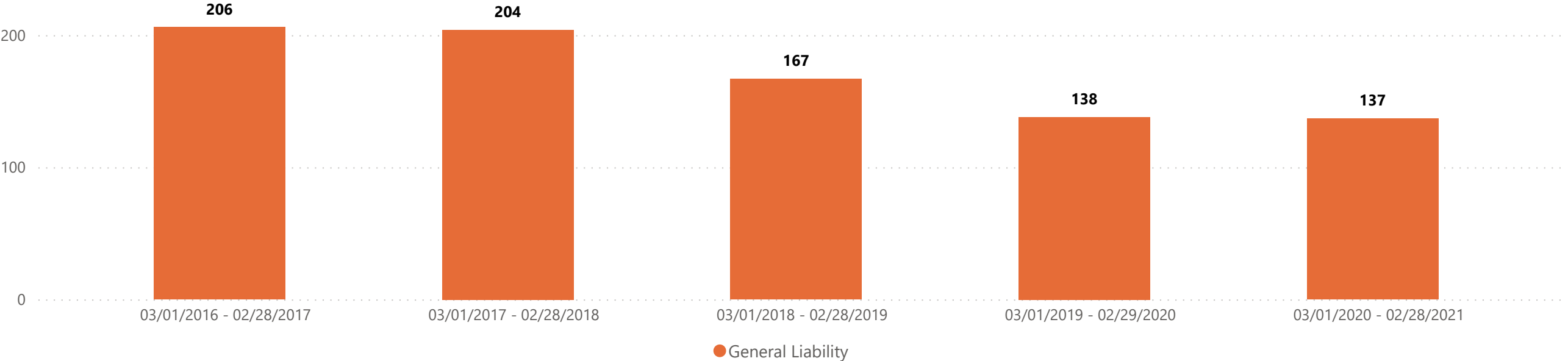
Policy Year	Total Incurred
03/01/2016 - 02/28/2017	\$399,050.26
03/01/2017 - 02/28/2018	\$71,796.81
03/01/2018 - 02/28/2019	\$99,359.09
03/01/2019 - 02/29/2020	\$48,145.62
03/01/2020 - 02/28/2021	\$58,969.29
<b>Total</b>	<b>\$677,321.07</b>

# General Liability Total Count and Incurred



FCSRMC - GL

03/01/2016 - 02/28/2021

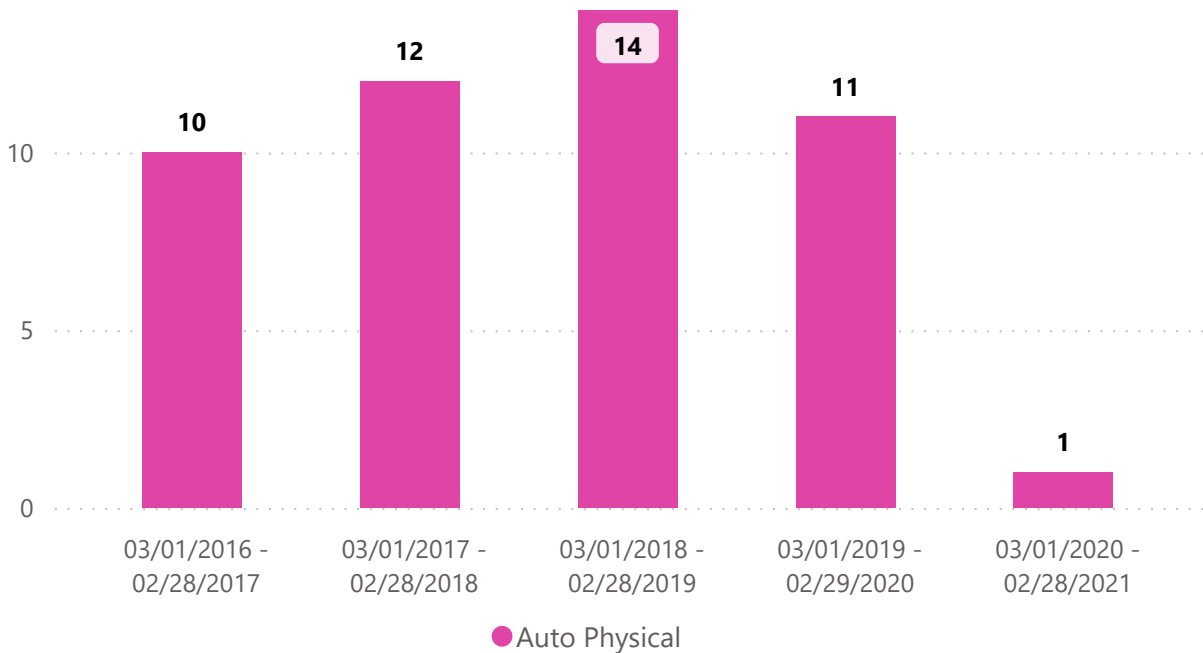
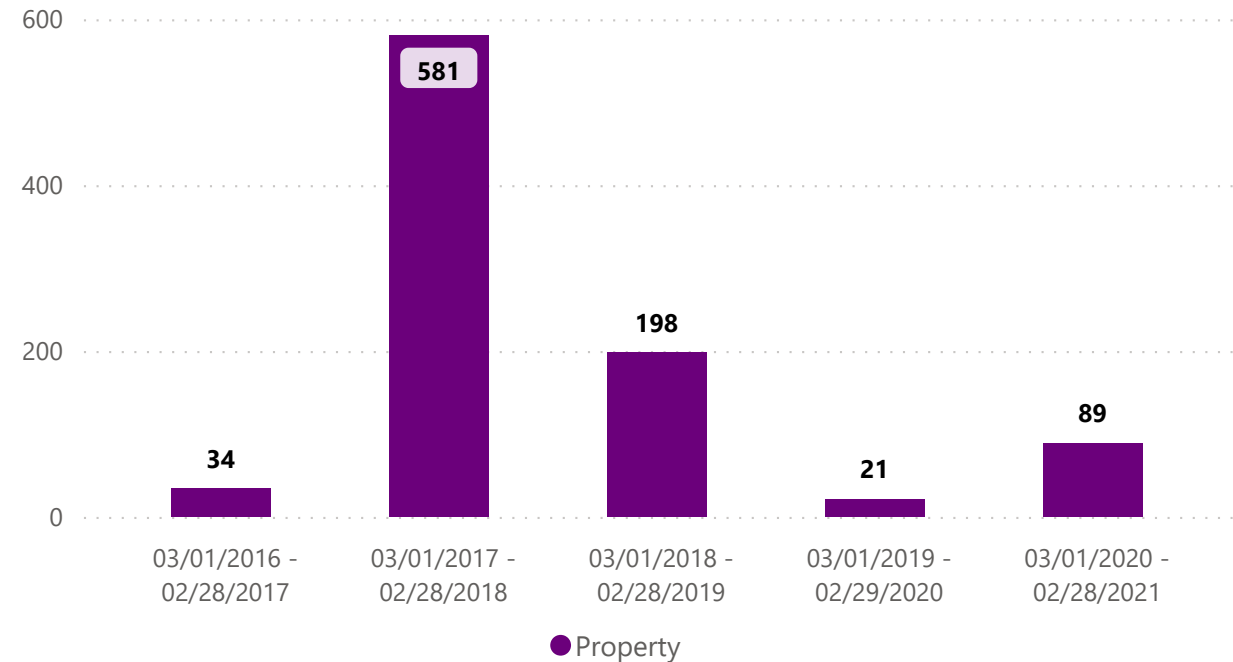


Policy Year	Total Incurred
03/01/2016 - 02/28/2017	\$2,546,988.78
03/01/2017 - 02/28/2018	\$1,934,478.94
03/01/2018 - 02/28/2019	\$1,758,958.30
03/01/2019 - 02/29/2020	\$1,715,147.20
03/01/2020 - 02/28/2021	\$1,112,303.34
Total	\$9,067,876.56

# Property Total Count and Incurred

FCSRMC - Property

03/01/2016 - 02/28/2021



Policy Year	Total Incurred
03/01/2016 - 02/28/2017	\$1,791,253.14
03/01/2017 - 02/28/2018	\$17,705,821.59
03/01/2018 - 02/28/2019	\$64,772,618.96
03/01/2019 - 02/29/2020	\$2,175,642.09
03/01/2020 - 02/28/2021	\$28,160,214.32
<b>Total</b>	<b>\$114,605,550.10</b>

Policy Year	Total Incurred
03/01/2016 - 02/28/2017	\$24,422.29
03/01/2017 - 02/28/2018	\$54,241.00
03/01/2018 - 02/28/2019	\$120,723.14
03/01/2019 - 02/29/2020	\$7,376.69
03/01/2020 - 02/28/2021	\$274.00
<b>Total</b>	<b>\$207,037.12</b>

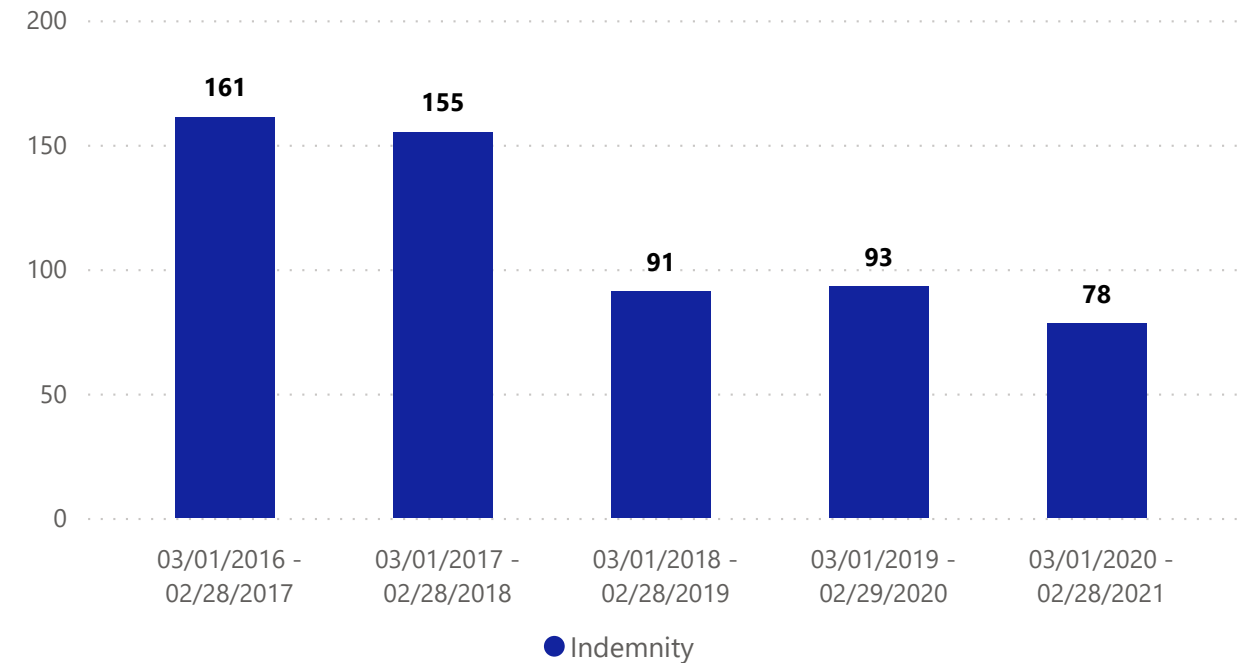
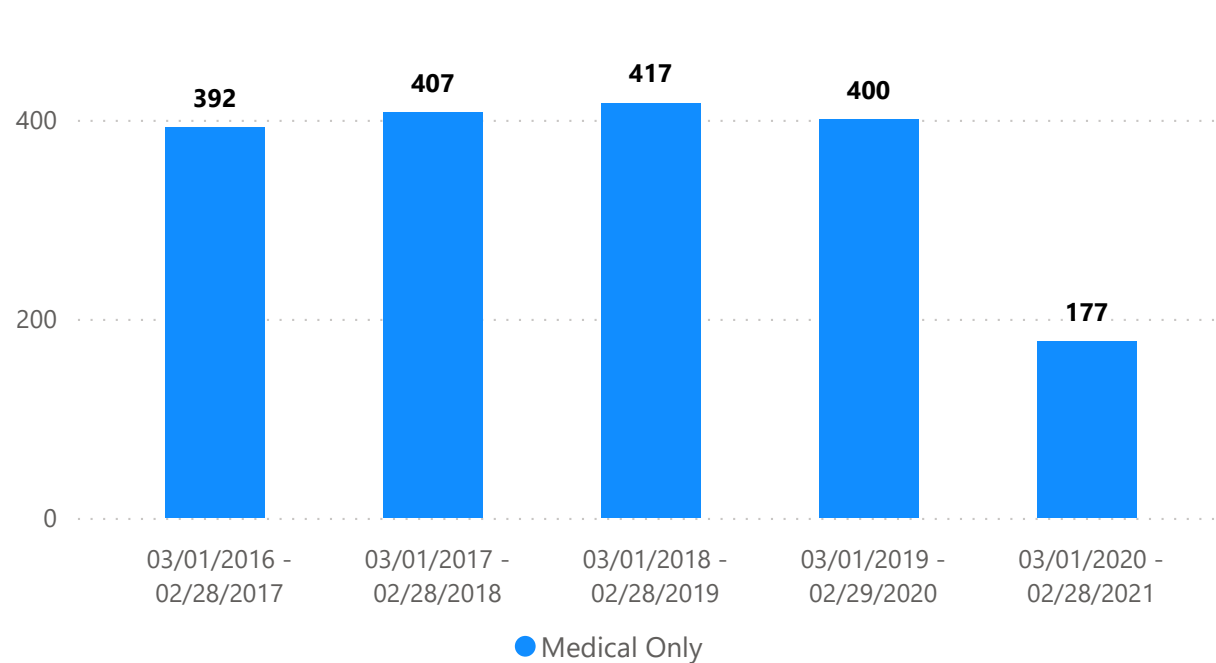


# Worker's Compensation Count and Incurred



FCSRMC - WC

03/01/2016 - 02/28/2021



Policy Year	Total Incurred
03/01/2016 - 02/28/2017	\$359,679.16
03/01/2017 - 02/28/2018	\$784,289.26
03/01/2018 - 02/28/2019	\$908,445.37
03/01/2019 - 02/29/2020	\$701,436.49
03/01/2020 - 02/28/2021	\$218,213.50
<b>Total</b>	<b>\$2,972,063.78</b>

Policy Year	Total Incurred
03/01/2016 - 02/28/2017	\$4,850,697.28
03/01/2017 - 02/28/2018	\$5,760,160.73
03/01/2018 - 02/28/2019	\$3,612,633.50
03/01/2019 - 02/29/2020	\$2,404,913.38
03/01/2020 - 02/28/2021	\$771,318.70
<b>Total</b>	<b>\$17,399,723.59</b>

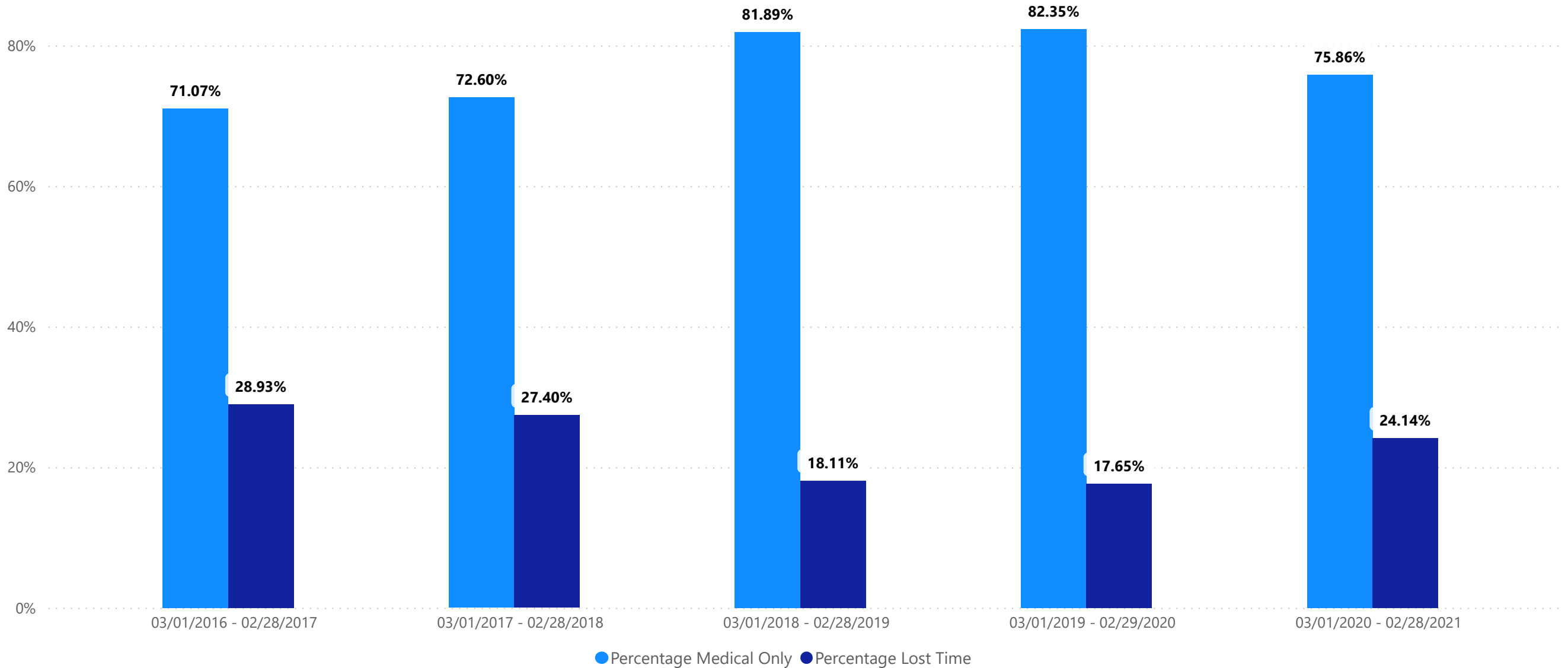
# Worker's Compensation Totals by Type



FCSRMC - WC

03/01/2016 - 02/28/2021

Ratio by Year



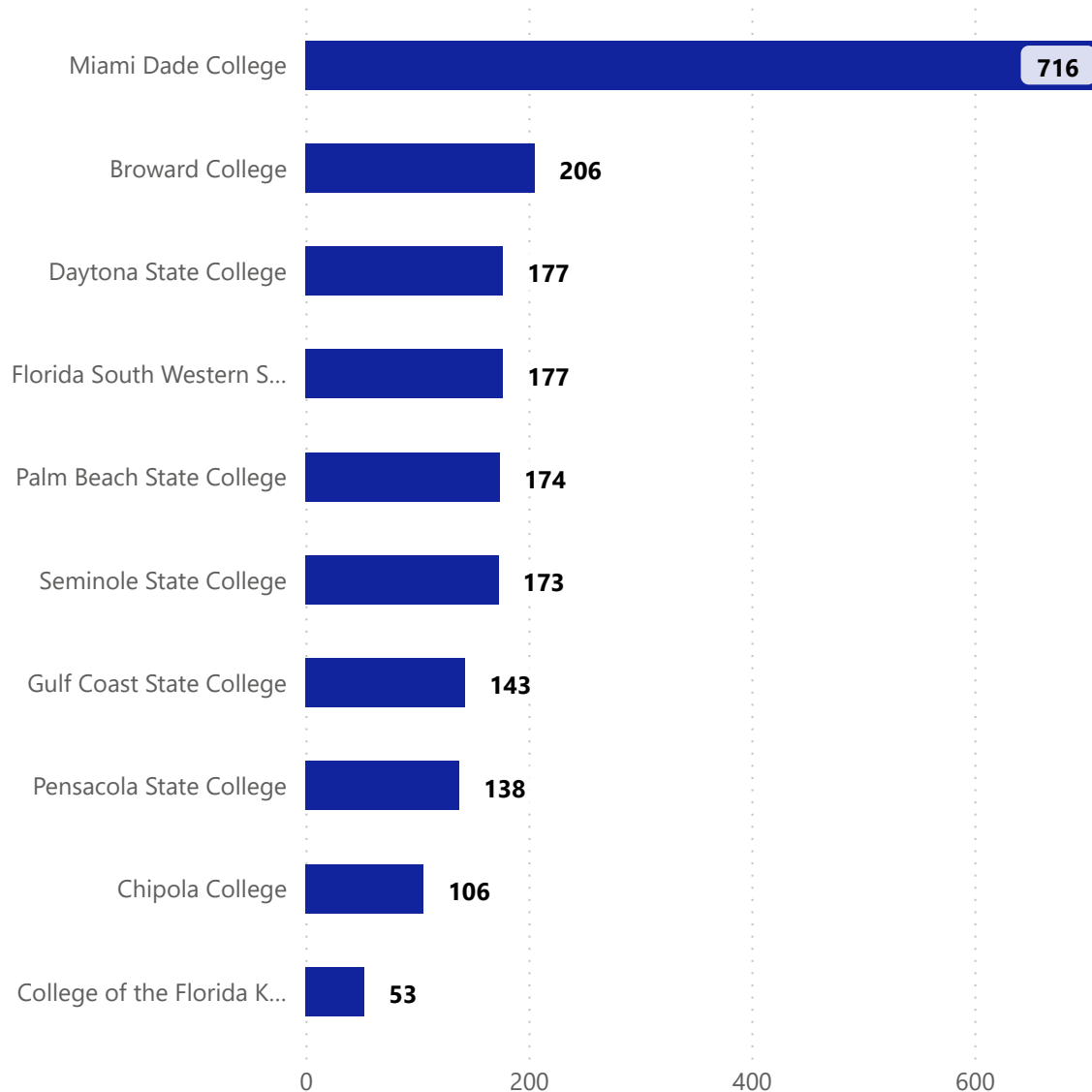
# Total Claims Count and Incurred by Top 10 Locations



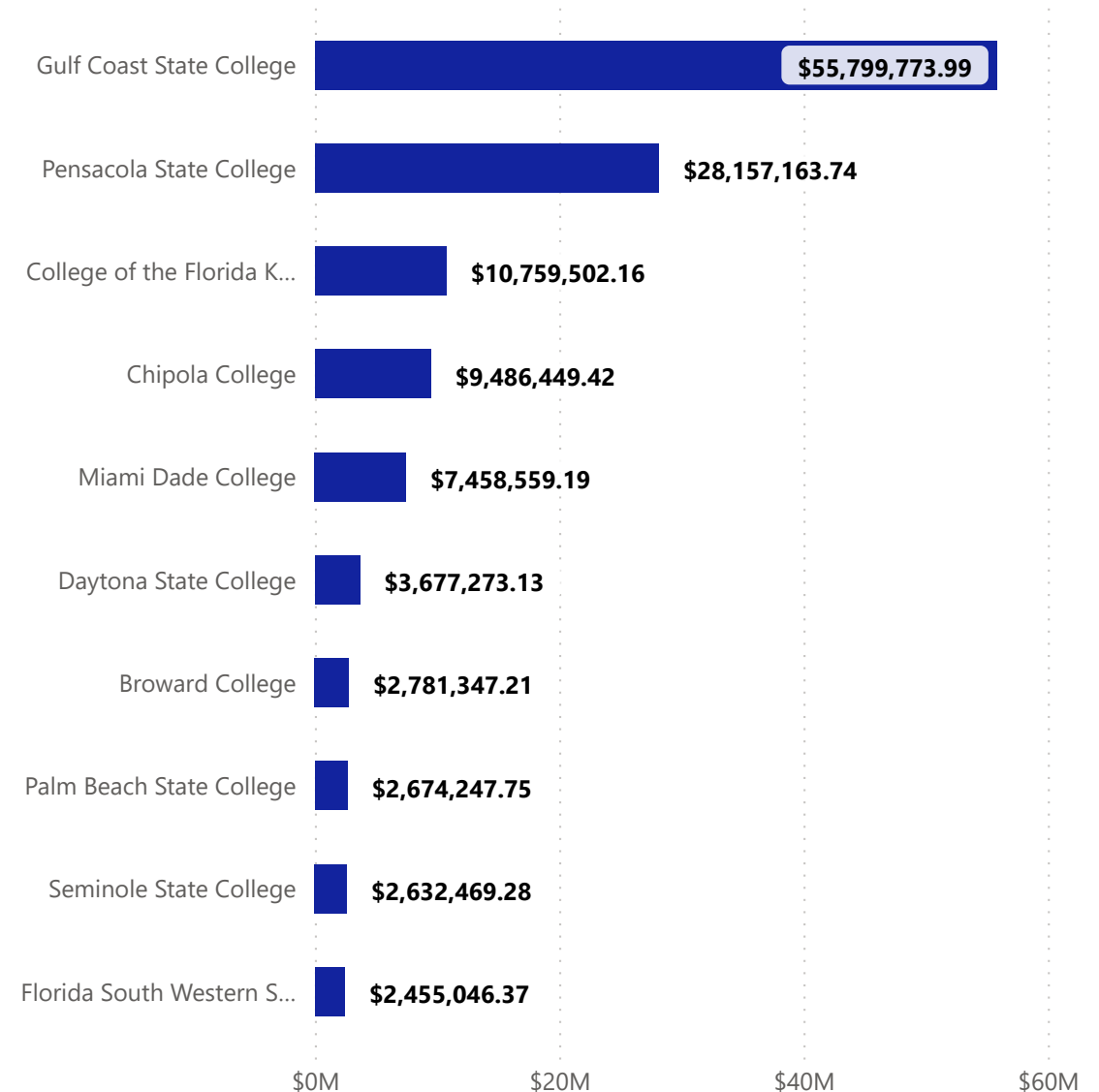
FCSRMC - All Lines

03/01/2016 - 02/28/2021

Claim Count



Total Incurred



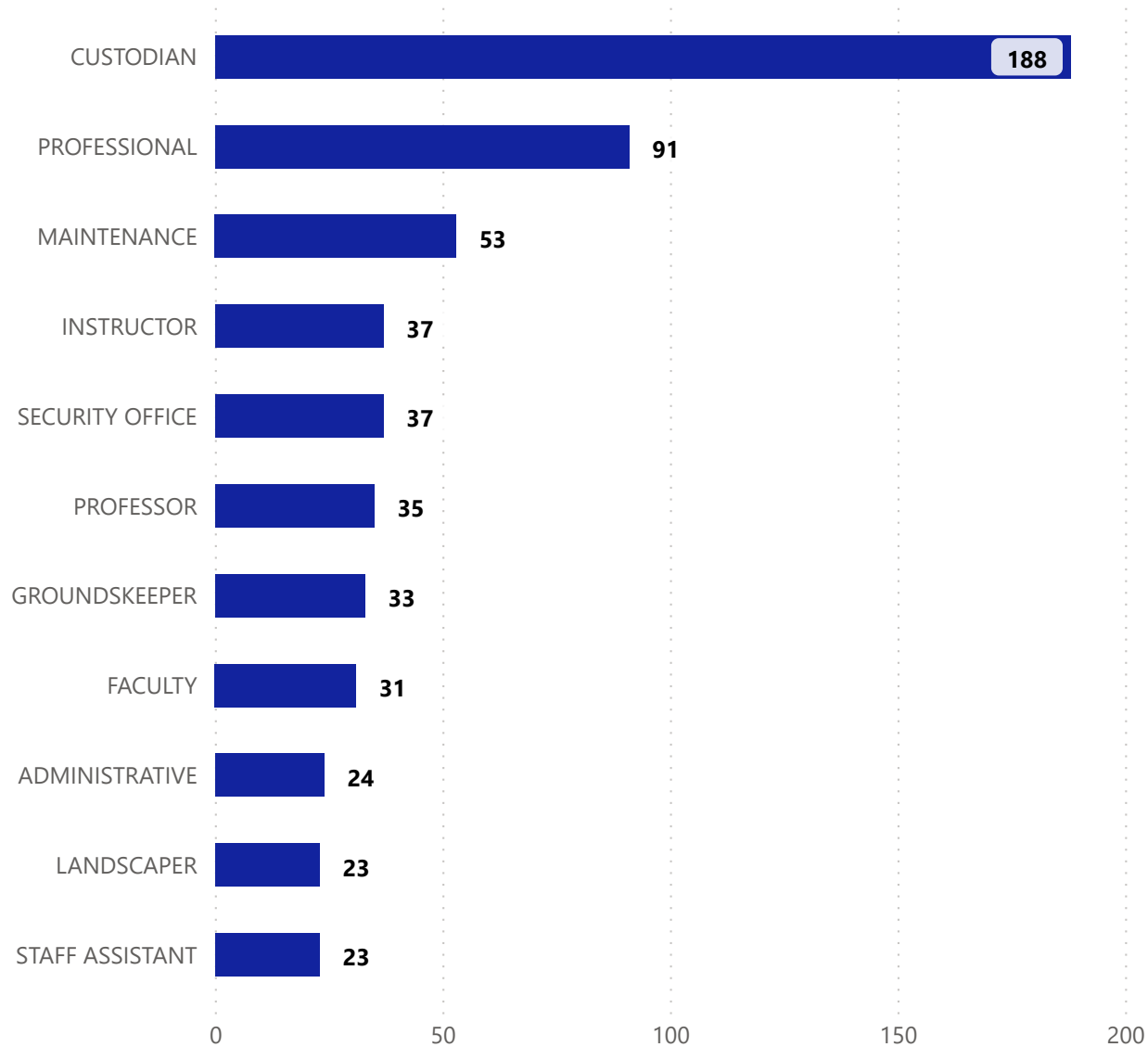
# Total Claims Count and Incurred by Top 10 Job Titles



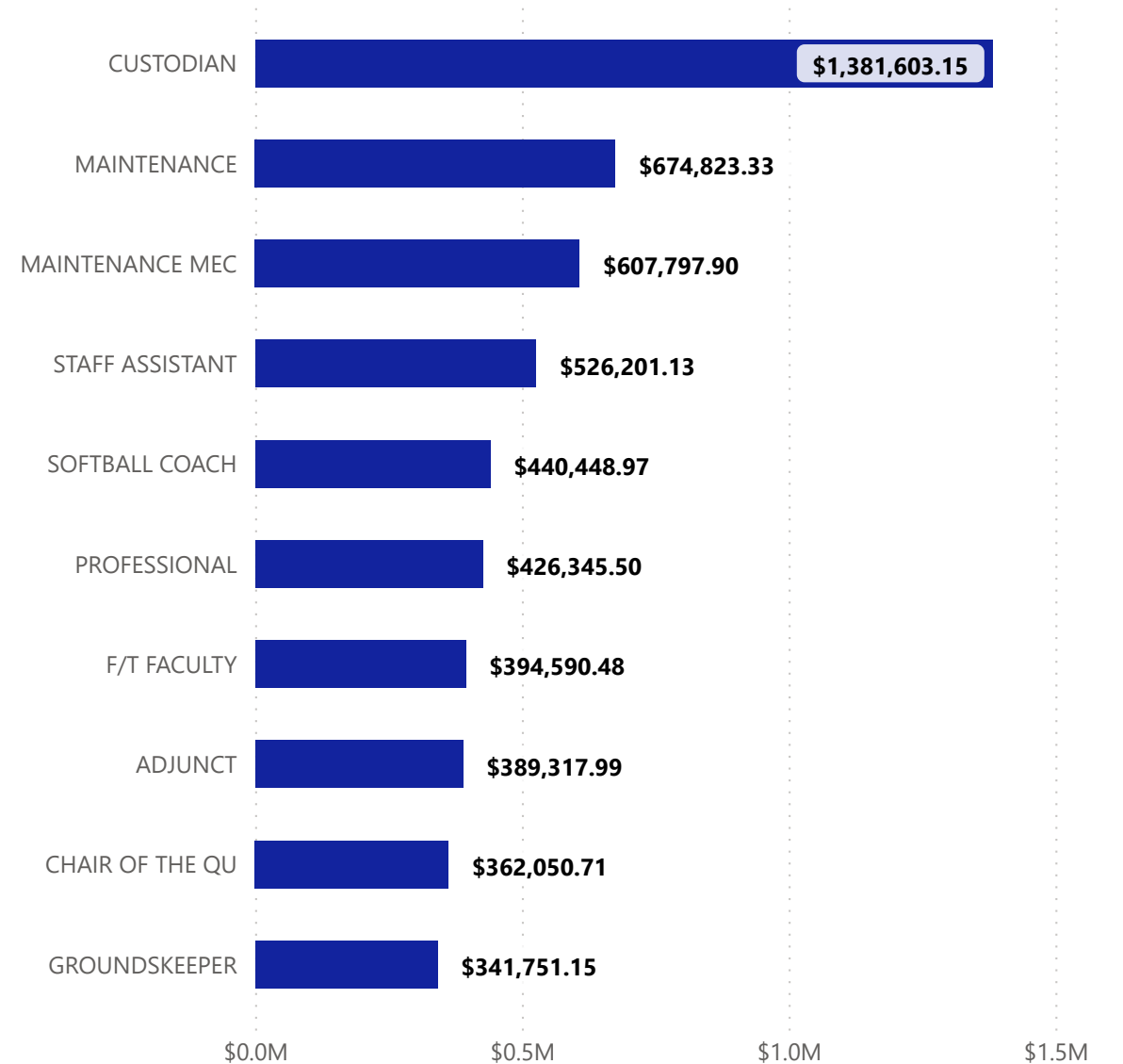
FCSRMC - WC

03/01/2016 - 02/28/2021

Claim Count



Total Incurred



# Losses by Job Title

FCSRMC - WC

03/01/2016 - 02/28/2021



## By Frequency

# ▲	Job Title	Indemnity Count	Medical Count	Total	Total Paid	Total Reserves	Total Incurred
1	CUSTODIAN	64	124	188	\$1,281,949.15	\$99,654.00	\$1,381,603.15
2	PROFESSIONAL	10	81	91	\$376,708.49	\$49,637.01	\$426,345.50
3	MAINTENANCE	17	36	53	\$506,550.58	\$168,272.75	\$674,823.33
4	INSTRUCTOR	10	27	37	\$148,673.89	\$7,094.31	\$155,768.20
5	SECURITY OFFICE	12	25	37	\$277,786.14	\$17,804.72	\$295,590.86
6	PROFESSOR	9	26	35	\$128,115.35	\$19,576.75	\$147,692.10
7	GROUNDKEEPER	13	20	33	\$253,991.39	\$87,759.76	\$341,751.15
8	FACULTY	7	24	31	\$152,569.83	\$13,184.20	\$165,754.03
9	ADMINISTRATIVE	5	19	24	\$49,348.01	\$10,978.00	\$60,326.01
10	STAFF ASSISTANT	5	18	23	\$465,252.94	\$60,948.19	\$526,201.13
11	All Others	426	1393	1819	\$14,716,469.90	\$1,479,462.01	\$16,195,931.91
		<b>578</b>	<b>1793</b>	<b>2371</b>	<b>\$18,357,415.67</b>	<b>\$2,014,371.70</b>	<b>\$20,371,787.37</b>

# ▲	Job Title	Average Cost	Freq Percent	Cost Percent
1	CUSTODIAN	\$7,348.95	7.93%	6.78%
2	PROFESSIONAL	\$4,685.12	3.84%	2.09%
3	MAINTENANCE	\$12,732.52	2.24%	3.31%
4	INSTRUCTOR	\$4,209.95	1.56%	0.76%
5	SECURITY OFFICE	\$7,988.94	1.56%	1.45%
6	PROFESSOR	\$4,219.77	1.48%	0.72%
7	GROUNDKEEPER	\$10,356.10	1.39%	1.68%
8	FACULTY	\$5,346.90	1.31%	0.81%
9	ADMINISTRATIVE	\$2,513.58	1.01%	0.30%
10	STAFF ASSISTANT	\$22,878.31	0.97%	2.58%
11	All Others	\$8,903.76	76.72%	79.50%
		<b>\$8,592.07</b>	<b>100.00%</b>	<b>100.00%</b>

# Losses by Job Title

FCSRMC - WC

03/01/2016 - 02/28/2021



## By Severity (Incurred)

# ▲	Job Title	Indemnity Count	Medical Count	Total	Total Paid	Total Reserves	Total Incurred
1	CUSTODIAN	64	124	188	\$1,281,949.15	\$99,654.00	\$1,381,603.15
2	MAINTENANCE	17	36	53	\$506,550.58	\$168,272.75	\$674,823.33
3	MAINTENANCE MEC	4	8	12	\$607,797.90	\$0.00	\$607,797.90
4	STAFF ASSISTANT	5	18	23	\$465,252.94	\$60,948.19	\$526,201.13
5	SOFTBALL COACH	1	0	1	\$440,448.97	\$0.00	\$440,448.97
6	PROFESSIONAL	10	81	91	\$376,708.49	\$49,637.01	\$426,345.50
7	F/T FACULTY	1	0	1	\$394,590.48	\$0.00	\$394,590.48
8	ADJUNCT	5	16	21	\$389,317.99	\$0.00	\$389,317.99
9	CHAIR OF THE QU	1	0	1	\$362,050.71	\$0.00	\$362,050.71
10	GROUNDSKEEPER	13	20	33	\$253,991.39	\$87,759.76	\$341,751.15
11	All Others	457	1490	1947	\$13,278,757.07	\$1,548,099.99	\$14,826,857.06
		<b>578</b>	<b>1793</b>	<b>2371</b>	<b>\$18,357,415.67</b>	<b>\$2,014,371.70</b>	<b>\$20,371,787.37</b>

# ▲	Job Title	Average Cost	Freq Percent	Cost Percent
1	CUSTODIAN	\$7,348.95	7.93%	6.78%
2	MAINTENANCE	\$12,732.52	2.24%	3.31%
3	MAINTENANCE MEC	\$50,649.83	0.51%	2.98%
4	STAFF ASSISTANT	\$22,878.31	0.97%	2.58%
5	SOFTBALL COACH	\$440,448.97	0.04%	2.16%
6	PROFESSIONAL	\$4,685.12	3.84%	2.09%
7	F/T FACULTY	\$394,590.48	0.04%	1.94%
8	ADJUNCT	\$18,538.95	0.89%	1.91%
9	CHAIR OF THE QU	\$362,050.71	0.04%	1.78%
10	GROUNDSKEEPER	\$10,356.10	1.39%	1.68%
11	All Others	\$7,615.23	82.12%	72.78%
		<b>\$8,592.07</b>	<b>100.00%</b>	<b>100.00%</b>

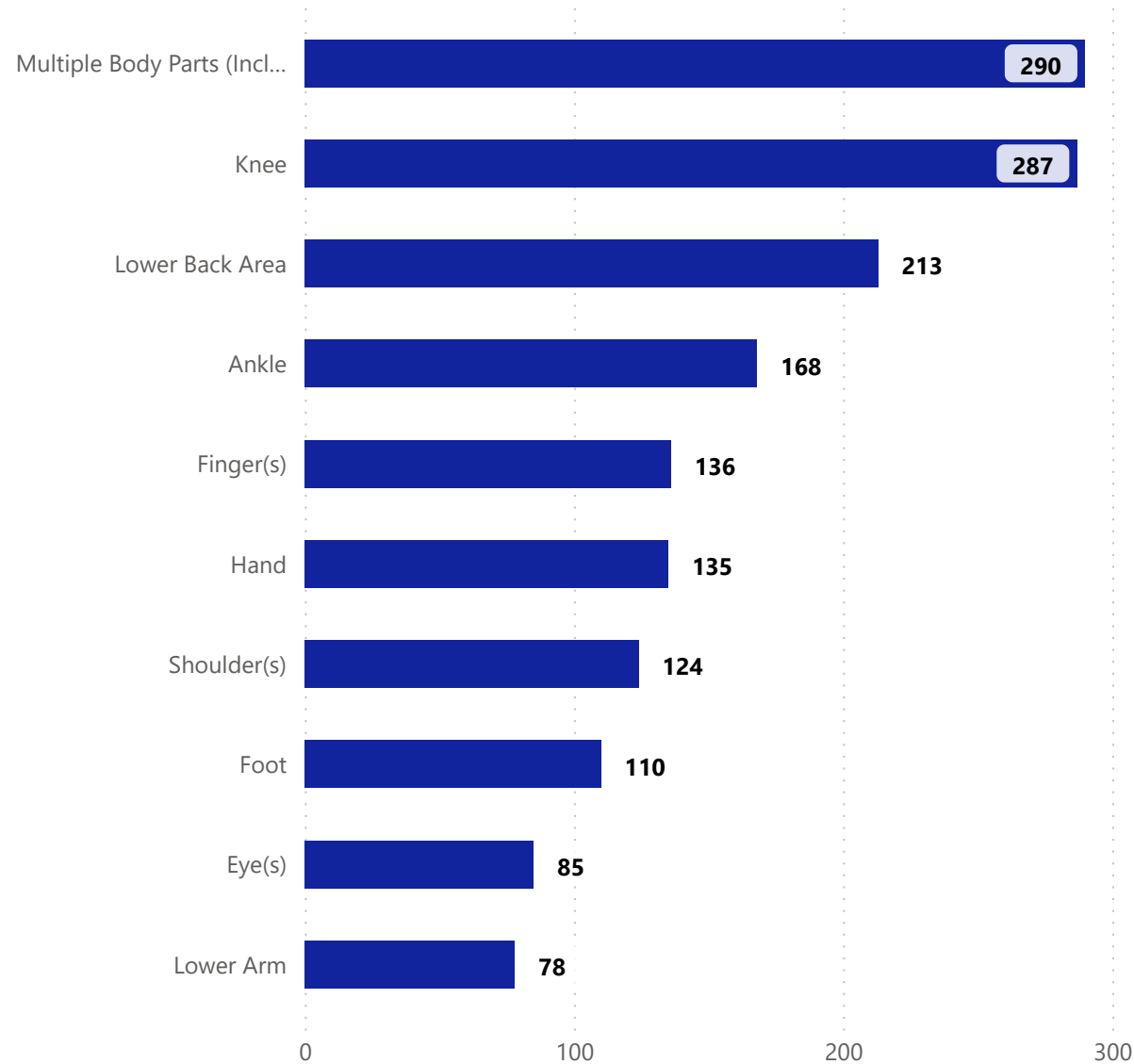
# Total Claims Count and Incurred by Top 10 Body Part



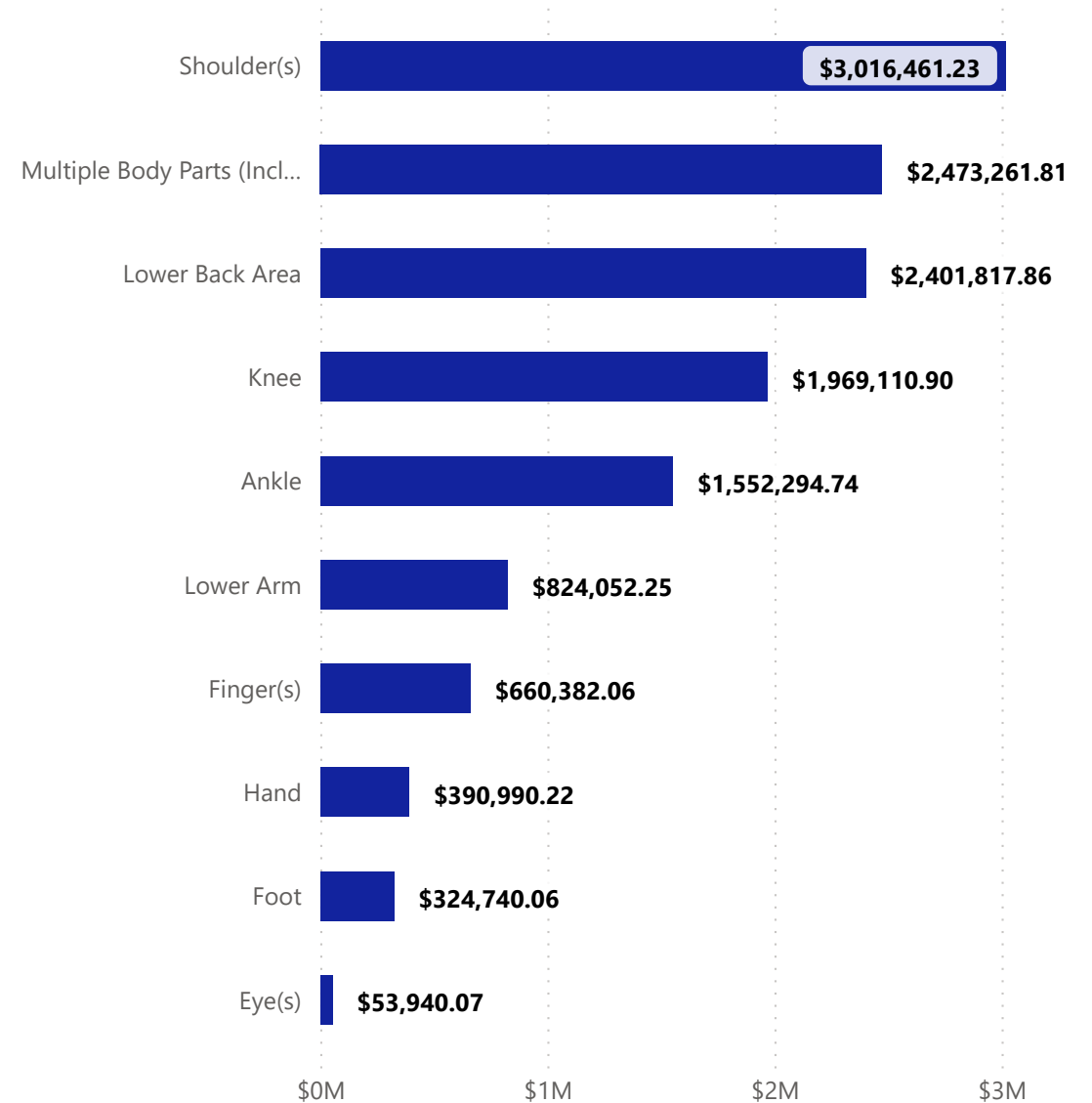
FCSRMC - WC

03/01/2016 - 02/28/2021

## Claim Count



## Total Incurred



# Losses by Body Part

FCSRMC - WC

03/01/2016 - 02/28/2021



## By Frequency

# ▲	Job Title	Indemnity Count	Medical Count	Total	Total Paid	Total Reserves	Total Incurred
1	Multiple Body Parts (Including Body Syst	76	214	290	\$2,402,422.49	\$70,839.32	\$2,473,261.81
2	Knee	82	205	287	\$1,724,361.43	\$244,749.47	\$1,969,110.90
3	Lower Back Area	72	141	213	\$1,965,677.44	\$436,140.42	\$2,401,817.86
4	Ankle	44	124	168	\$1,507,605.27	\$44,689.47	\$1,552,294.74
5	Finger(s)	22	114	136	\$621,098.53	\$39,283.53	\$660,382.06
6	Hand	20	115	135	\$355,653.99	\$35,336.23	\$390,990.22
7	Shoulder(s)	54	70	124	\$2,565,227.27	\$451,233.96	\$3,016,461.23
8	Foot	13	97	110	\$294,392.70	\$30,347.36	\$324,740.06
9	Eye(s)	3	82	85	\$49,240.07	\$4,700.00	\$53,940.07
10	Lower Arm	22	56	78	\$704,784.78	\$119,267.47	\$824,052.25
11	All Others	170	575	745	\$6,166,951.70	\$537,784.47	\$6,704,736.17
		<b>578</b>	<b>1793</b>	<b>2371</b>	<b>\$18,357,415.67</b>	<b>\$2,014,371.70</b>	<b>\$20,371,787.37</b>

# ▲	Job Title	Average Cost	Freq Percent	Cost Percent
1	Multiple Body Parts (Including Body Syst	\$8,528.49	12.23%	12.14%
2	Knee	\$6,861.01	12.10%	9.67%
3	Lower Back Area	\$11,276.14	8.98%	11.79%
4	Ankle	\$9,239.85	7.09%	7.62%
5	Finger(s)	\$4,855.75	5.74%	3.24%
6	Hand	\$2,896.22	5.69%	1.92%
7	Shoulder(s)	\$24,326.30	5.23%	14.81%
8	Foot	\$2,952.18	4.64%	1.59%
9	Eye(s)	\$634.59	3.58%	0.26%
10	Lower Arm	\$10,564.77	3.29%	4.05%
11	All Others	\$8,999.65	31.42%	32.91%
		<b>\$8,592.07</b>	<b>100.00%</b>	<b>100.00%</b>



# Losses by Body Part

FCSRMC - WC

03/01/2016 - 02/28/2021



## By Severity (Incurred)

# ▲	Job Title	Indemnity Count	Medical Count	Total	Total Paid	Total Reserves	Total Incurred
1	Fracture	87	76	163	\$4,600,748.23	\$457,657.80	\$5,058,406.03
2	All Other Specific Injuries, NOC	63	26	89	\$3,009,175.70	\$293,349.84	\$3,302,525.54
3	Sprain or Tear	128	436	564	\$2,717,218.26	\$230,548.19	\$2,947,766.45
4	Strain or Tear	116	314	430	\$2,211,088.10	\$278,627.34	\$2,489,715.44
5	Dislocation	15	9	24	\$1,517,525.49	\$245,902.13	\$1,763,427.62
6	Contusion	64	370	434	\$1,542,941.14	\$174,266.12	\$1,717,207.26
7	Inflammation	19	33	52	\$790,981.50	\$195,126.17	\$986,107.67
8	Laceration	14	194	208	\$496,304.40	\$34,997.21	\$531,301.61
9	Multiple Physical Injuries Only	2	8	10	\$334,271.72	\$60,698.19	\$394,969.91
10	Amputation	1	2	3	\$176,186.08	\$0.00	\$176,186.08
11	All Others	69	325	394	\$960,975.05	\$43,198.71	\$1,004,173.76
		<b>578</b>	<b>1793</b>	<b>2371</b>	<b>\$18,357,415.67</b>	<b>\$2,014,371.70</b>	<b>\$20,371,787.37</b>

# ▲	Job Title	Average Cost	Freq Percent	Cost Percent
1	Fracture	\$31,033.17	6.87%	24.83%
2	All Other Specific Injuries, NOC	\$37,107.03	3.75%	16.21%
3	Sprain or Tear	\$5,226.54	23.79%	14.47%
4	Strain or Tear	\$5,790.04	18.14%	12.22%
5	Dislocation	\$73,476.15	1.01%	8.66%
6	Contusion	\$3,956.70	18.30%	8.43%
7	Inflammation	\$18,963.61	2.19%	4.84%
8	Laceration	\$2,554.33	8.77%	2.61%
9	Multiple Physical Injuries Only	\$39,496.99	0.42%	1.94%
10	Amputation	\$58,728.69	0.13%	0.86%
11	All Others	\$2,548.66	16.62%	4.93%
		<b>\$8,592.07</b>	<b>100.00%</b>	<b>100.00%</b>

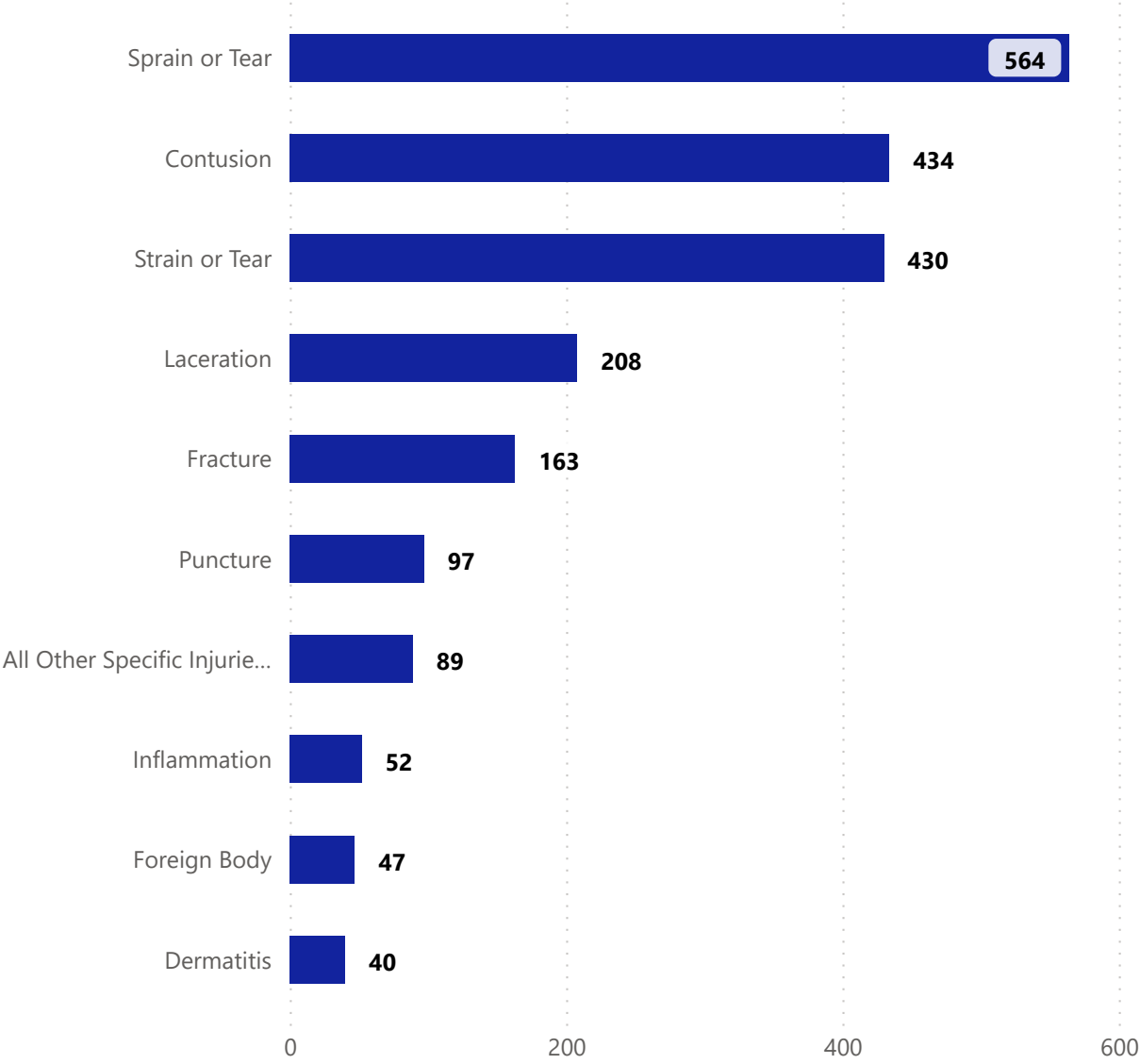
# Total Claims Count and Incurred by Top 10 Nature



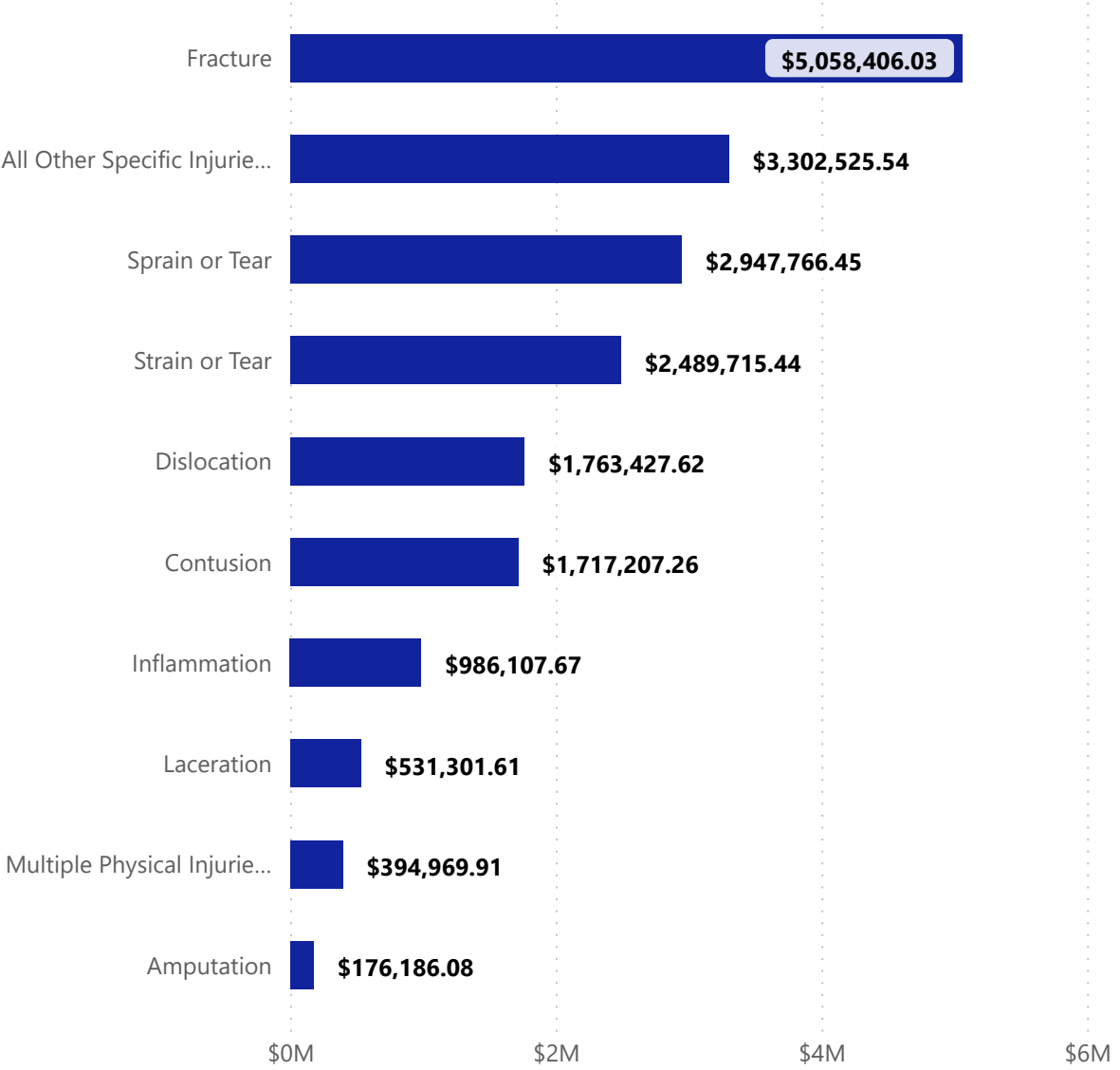
FCSRMC - WC

03/01/2016 - 02/28/2021

Claim Count



Total Incurred



# Losses by Nature

FCSRMC - WC

03/01/2016 - 02/28/2021



## By Frequency

# ▲	Job Title	Indemnity Count	Medical Count	Total	Total Paid	Total Reserves	Total Incurred
1	Sprain or Tear	128	436	564	\$2,717,218.26	\$230,548.19	\$2,947,766.45
2	Contusion	64	370	434	\$1,542,941.14	\$174,266.12	\$1,717,207.26
3	Strain or Tear	116	314	430	\$2,211,088.10	\$278,627.34	\$2,489,715.44
4	Laceration	14	194	208	\$496,304.40	\$34,997.21	\$531,301.61
5	Fracture	87	76	163	\$4,600,748.23	\$457,657.80	\$5,058,406.03
6	Puncture	5	92	97	\$139,811.38	\$0.00	\$139,811.38
7	All Other Specific Injuries, NOC	63	26	89	\$3,009,175.70	\$293,349.84	\$3,302,525.54
8	Inflammation	19	33	52	\$790,981.50	\$195,126.17	\$986,107.67
9	Foreign Body	1	46	47	\$34,115.48	\$0.00	\$34,115.48
10	Dermatitis	1	39	40	\$20,660.22	\$0.00	\$20,660.22
11	All Others	80	167	247	\$2,794,371.26	\$349,799.03	\$3,144,170.29
		<b>578</b>	<b>1793</b>	<b>2371</b>	<b>\$18,357,415.67</b>	<b>\$2,014,371.70</b>	<b>\$20,371,787.37</b>

# ▲	Job Title	Average Cost	Freq Percent	Cost Percent
1	Sprain or Tear	\$5,226.54	23.79%	14.47%
2	Contusion	\$3,956.70	18.30%	8.43%
3	Strain or Tear	\$5,790.04	18.14%	12.22%
4	Laceration	\$2,554.33	8.77%	2.61%
5	Fracture	\$31,033.17	6.87%	24.83%
6	Puncture	\$1,441.35	4.09%	0.69%
7	All Other Specific Injuries, NOC	\$37,107.03	3.75%	16.21%
8	Inflammation	\$18,963.61	2.19%	4.84%
9	Foreign Body	\$725.86	1.98%	0.17%
10	Dermatitis	\$516.51	1.69%	0.10%
11	All Others	\$12,729.43	10.42%	15.43%
		<b>\$8,592.07</b>	<b>100.00%</b>	<b>100.00%</b>

# Losses by Nature

FCSRMC - WC

03/01/2016 - 02/28/2021



## By Severity (Incurred)

# ▲	Job Title	Indemnity Count	Medical Count	Total	Total Paid	Total Reserves	Total Incurred
1	Fracture	87	76	163	\$4,600,748.23	\$457,657.80	\$5,058,406.03
2	All Other Specific Injuries, NOC	63	26	89	\$3,009,175.70	\$293,349.84	\$3,302,525.54
3	Sprain or Tear	128	436	564	\$2,717,218.26	\$230,548.19	\$2,947,766.45
4	Strain or Tear	116	314	430	\$2,211,088.10	\$278,627.34	\$2,489,715.44
5	Dislocation	15	9	24	\$1,517,525.49	\$245,902.13	\$1,763,427.62
6	Contusion	64	370	434	\$1,542,941.14	\$174,266.12	\$1,717,207.26
7	Inflammation	19	33	52	\$790,981.50	\$195,126.17	\$986,107.67
8	Laceration	14	194	208	\$496,304.40	\$34,997.21	\$531,301.61
9	Multiple Physical Injuries Only	2	8	10	\$334,271.72	\$60,698.19	\$394,969.91
10	Amputation	1	2	3	\$176,186.08	\$0.00	\$176,186.08
11	All Others	69	325	394	\$960,975.05	\$43,198.71	\$1,004,173.76
		<b>578</b>	<b>1793</b>	<b>2371</b>	<b>\$18,357,415.67</b>	<b>\$2,014,371.70</b>	<b>\$20,371,787.37</b>

# ▲	Job Title	Average Cost	Freq Percent	Cost Percent
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4	Strain or Tear	\$5,790.04	18.14%	12.22%
5	Dislocation	\$73,476.15	1.01%	8.66%
6	Contusion	\$3,956.70	18.30%	8.43%
7	Inflammation	\$18,963.61	2.19%	4.84%
8	Laceration	\$2,554.33	8.77%	2.61%
9	Multiple Physical Injuries Only	\$39,496.99	0.42%	1.94%
10	Amputation	\$58,728.69	0.13%	0.86%
11	All Others	\$2,548.66	16.62%	4.93%
		<b>\$8,592.07</b>	<b>100.00%</b>	<b>100.00%</b>

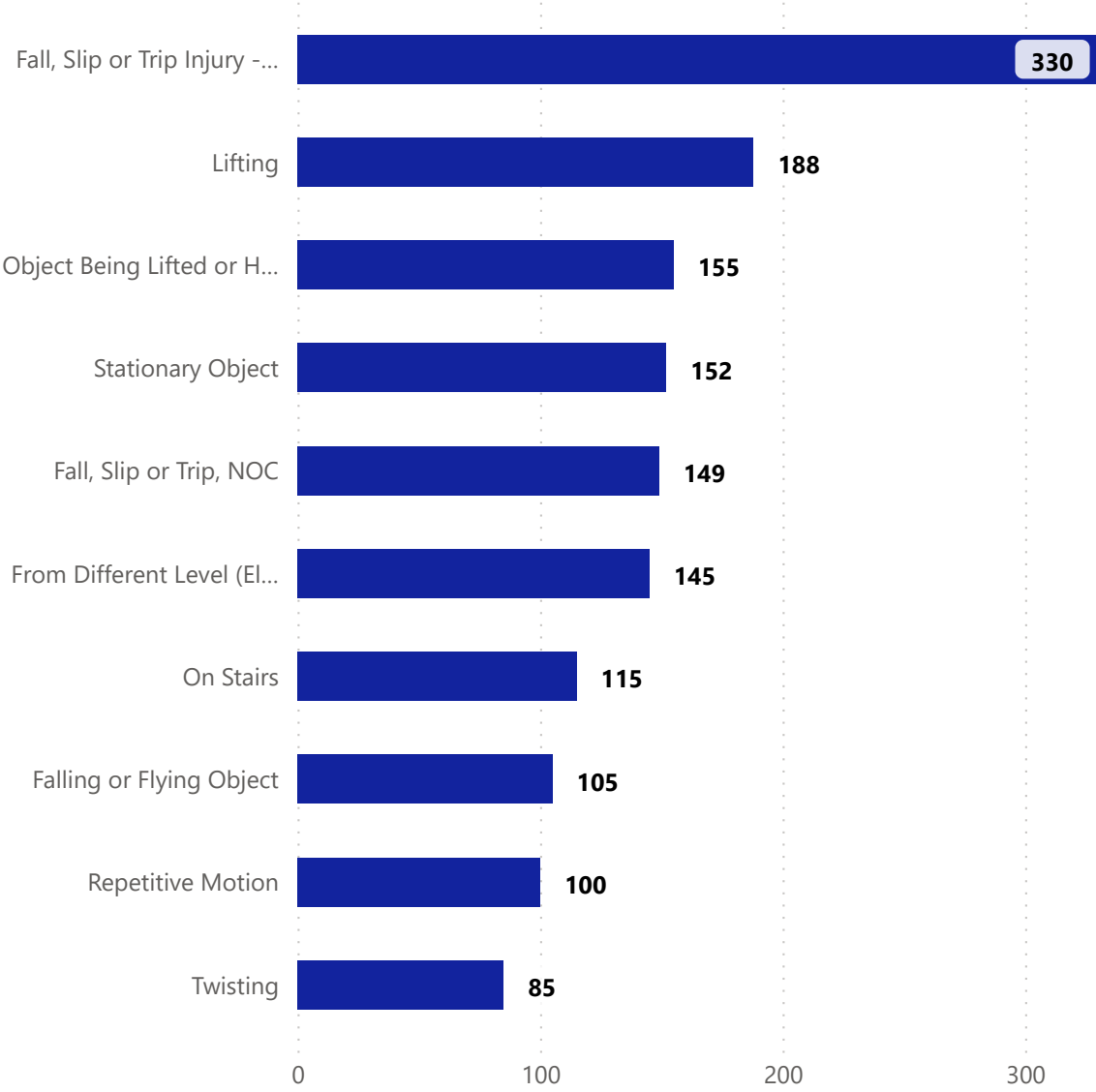
# Total Claims Count and Incurred by Top 10 Cause



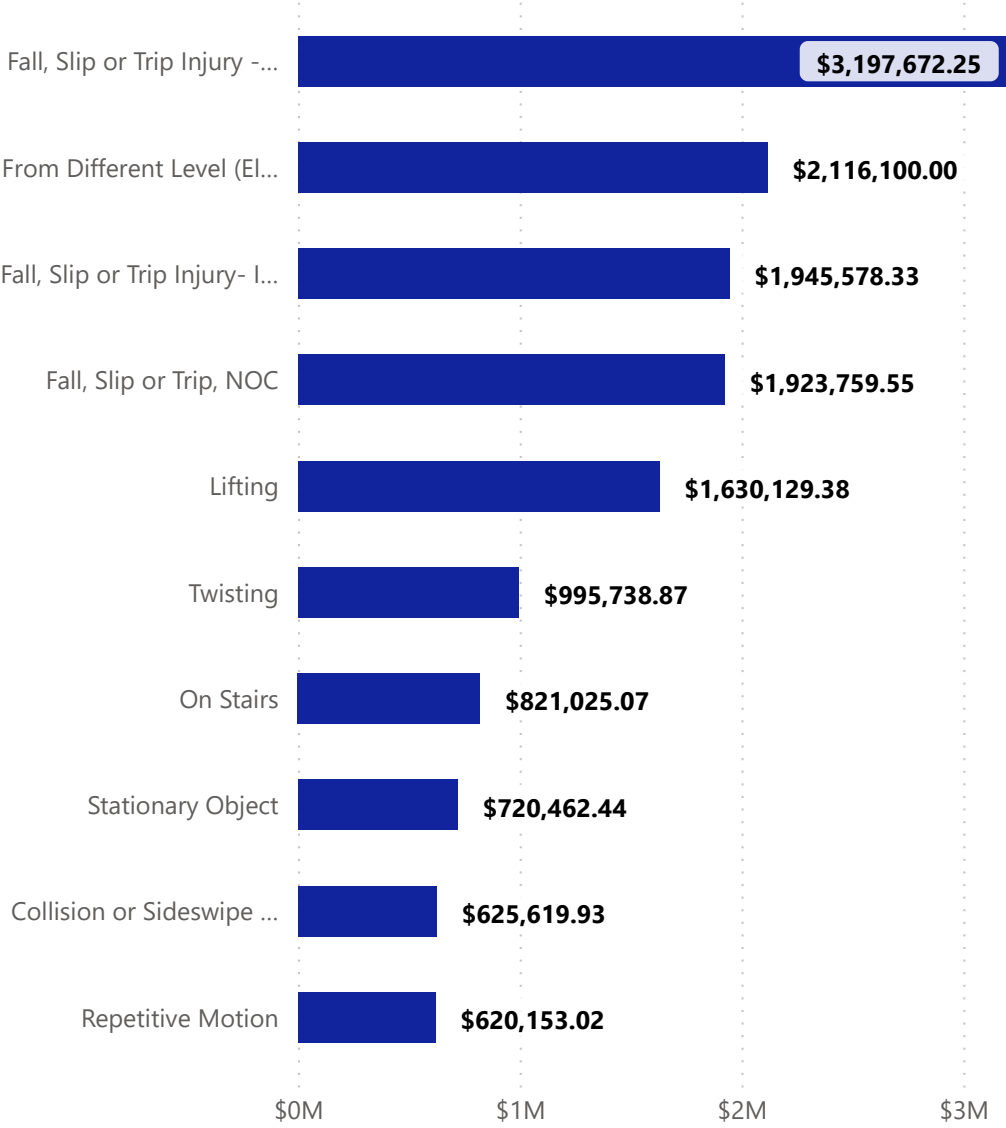
FCSRMC - WC

03/01/2016 - 02/28/2021

Claim Count



Total Incurred



# Losses by Cause

FCSRMC - WC

03/01/2016 - 02/28/2021



## By Frequency

# ▲	Job Title	Indemnity Count	Medical Count	Total	Total Paid	Total Reserves	Total Incurred
1	Fall, Slip or Trip Injury -On Same Level	92	238	330	\$2,866,463.36	\$331,208.89	\$3,197,672.25
2	Lifting	63	125	188	\$1,428,201.73	\$201,927.65	\$1,630,129.38
3	Object Being Lifted or Handled	19	136	155	\$446,862.24	\$126,655.07	\$573,517.31
4	Stationary Object	21	131	152	\$638,635.38	\$81,827.06	\$720,462.44
5	Fall, Slip or Trip, NOC	40	109	149	\$1,819,268.05	\$104,491.50	\$1,923,759.55
6	From Different Level (Elevation)	42	103	145	\$1,937,725.45	\$178,374.55	\$2,116,100.00
7	On Stairs	23	92	115	\$788,995.16	\$32,029.91	\$821,025.07
8	Falling or Flying Object	12	93	105	\$463,371.25	\$134,470.03	\$597,841.28
9	Repetitive Motion	32	68	100	\$552,610.21	\$67,542.81	\$620,153.02
10	Twisting	33	52	85	\$942,814.55	\$52,924.32	\$995,738.87
11	All Others	201	646	847	\$6,472,468.29	\$702,919.91	\$7,175,388.20
		<b>578</b>	<b>1793</b>	<b>2371</b>	<b>\$18,357,415.67</b>	<b>\$2,014,371.70</b>	<b>\$20,371,787.37</b>

# ▲	Job Title	Average Cost	Freq Percent	Cost Percent
1	Fall, Slip or Trip Injury -On Same Level	\$9,689.92	13.92%	15.70%
2	Lifting	\$8,670.90	7.93%	8.00%
3	Object Being Lifted or Handled	\$3,700.11	6.54%	2.82%
4	Stationary Object	\$4,739.88	6.41%	3.54%
5	Fall, Slip or Trip, NOC	\$12,911.14	6.28%	9.44%
6	From Different Level (Elevation)	\$14,593.79	6.12%	10.39%
7	On Stairs	\$7,139.35	4.85%	4.03%
8	Falling or Flying Object	\$5,693.73	4.43%	2.93%
9	Repetitive Motion	\$6,201.53	4.22%	3.04%
10	Twisting	\$11,714.57	3.58%	4.89%
11	All Others	\$8,471.53	35.72%	35.22%
		<b>\$8,592.07</b>	<b>100.00%</b>	<b>100.00%</b>



# Losses by Cause

FCSRMC - WC

03/01/2016 - 02/28/2021

By Severity (Incurred)

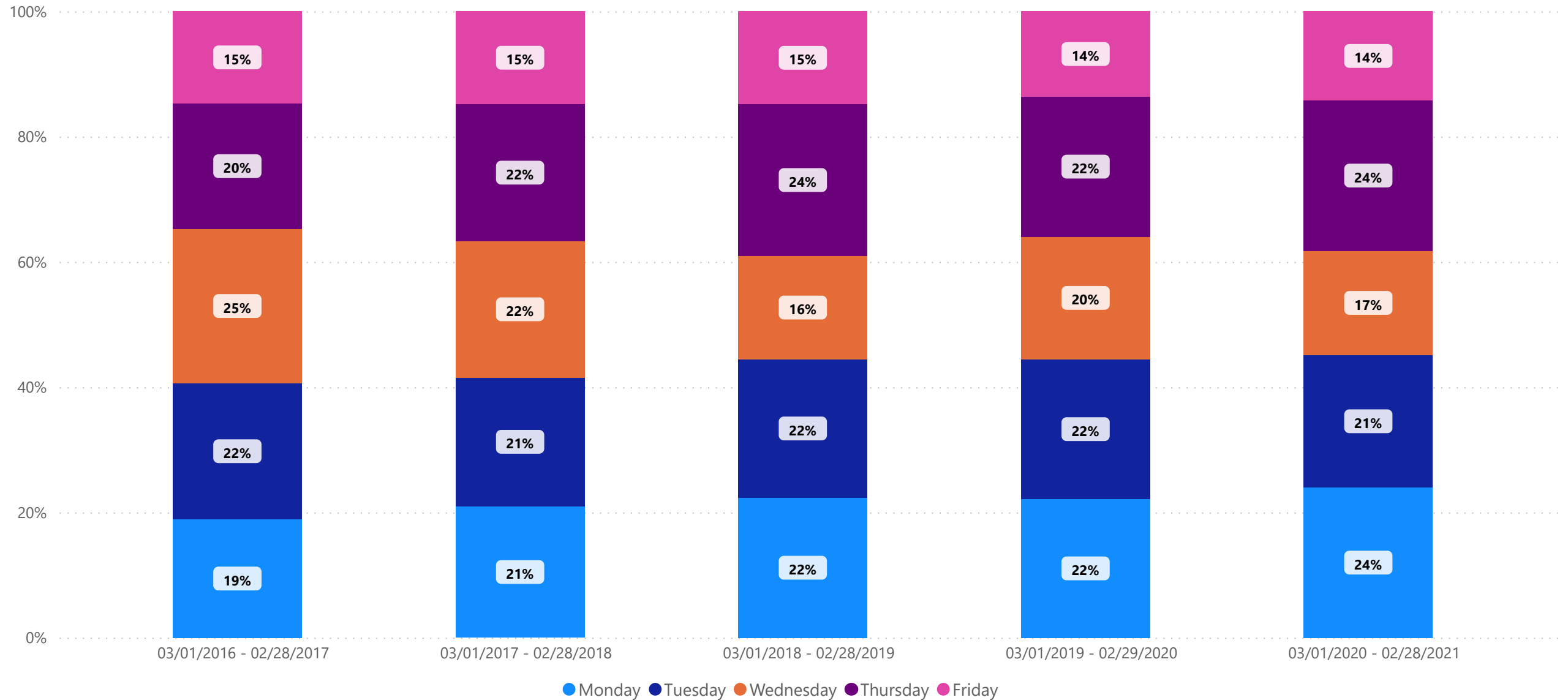
# ▲	Job Title	Indemnity Count	Medical Count	Total	Total Paid	Total Reserves	Total Incurred
1	Fall, Slip or Trip Injury -On Same Level	92	238	330	\$2,866,463.36	\$331,208.89	\$3,197,672.25
2	From Different Level (Elevation)	42	103	145	\$1,937,725.45	\$178,374.55	\$2,116,100.00
3	Fall, Slip or Trip Injury- Into Openings	26	42	68	\$1,748,807.56	\$196,770.77	\$1,945,578.33
4	Fall, Slip or Trip, NOC	40	109	149	\$1,819,268.05	\$104,491.50	\$1,923,759.55
5	Lifting	63	125	188	\$1,428,201.73	\$201,927.65	\$1,630,129.38
6	Twisting	33	52	85	\$942,814.55	\$52,924.32	\$995,738.87
7	On Stairs	23	92	115	\$788,995.16	\$32,029.91	\$821,025.07
8	Stationary Object	21	131	152	\$638,635.38	\$81,827.06	\$720,462.44
9	Collision or Sideswipe With Another Vehi	9	22	31	\$579,239.66	\$46,380.27	\$625,619.93
10	Repetitive Motion	32	68	100	\$552,610.21	\$67,542.81	\$620,153.02
11	All Others	197	811	1008	\$5,054,654.56	\$720,893.97	\$5,775,548.53
		<b>578</b>	<b>1793</b>	<b>2371</b>	<b>\$18,357,415.67</b>	<b>\$2,014,371.70</b>	<b>\$20,371,787.37</b>

# ▲	Job Title	Average Cost	Freq Percent	Cost Percent
1	Fall, Slip or Trip Injury -On Same Level	\$9,689.92	13.92%	15.70%
2	From Different Level (Elevation)	\$14,593.79	6.12%	10.39%
3	Fall, Slip or Trip Injury- Into Openings	\$28,611.45	2.87%	9.55%
4	Fall, Slip or Trip, NOC	\$12,911.14	6.28%	9.44%
5	Lifting	\$8,670.90	7.93%	8.00%
6	Twisting	\$11,714.57	3.58%	4.89%
7	On Stairs	\$7,139.35	4.85%	4.03%
8	Stationary Object	\$4,739.88	6.41%	3.54%
9	Collision or Sideswipe With Another Vehi	\$20,181.29	1.31%	3.07%
10	Repetitive Motion	\$6,201.53	4.22%	3.04%
11	All Others	\$5,729.71	42.51%	28.35%
		<b>\$8,592.07</b>	<b>100.00%</b>	<b>100.00%</b>

# Percent of Claims by Weekday

FCSRMC - WC

03/01/2016 - 02/28/2021





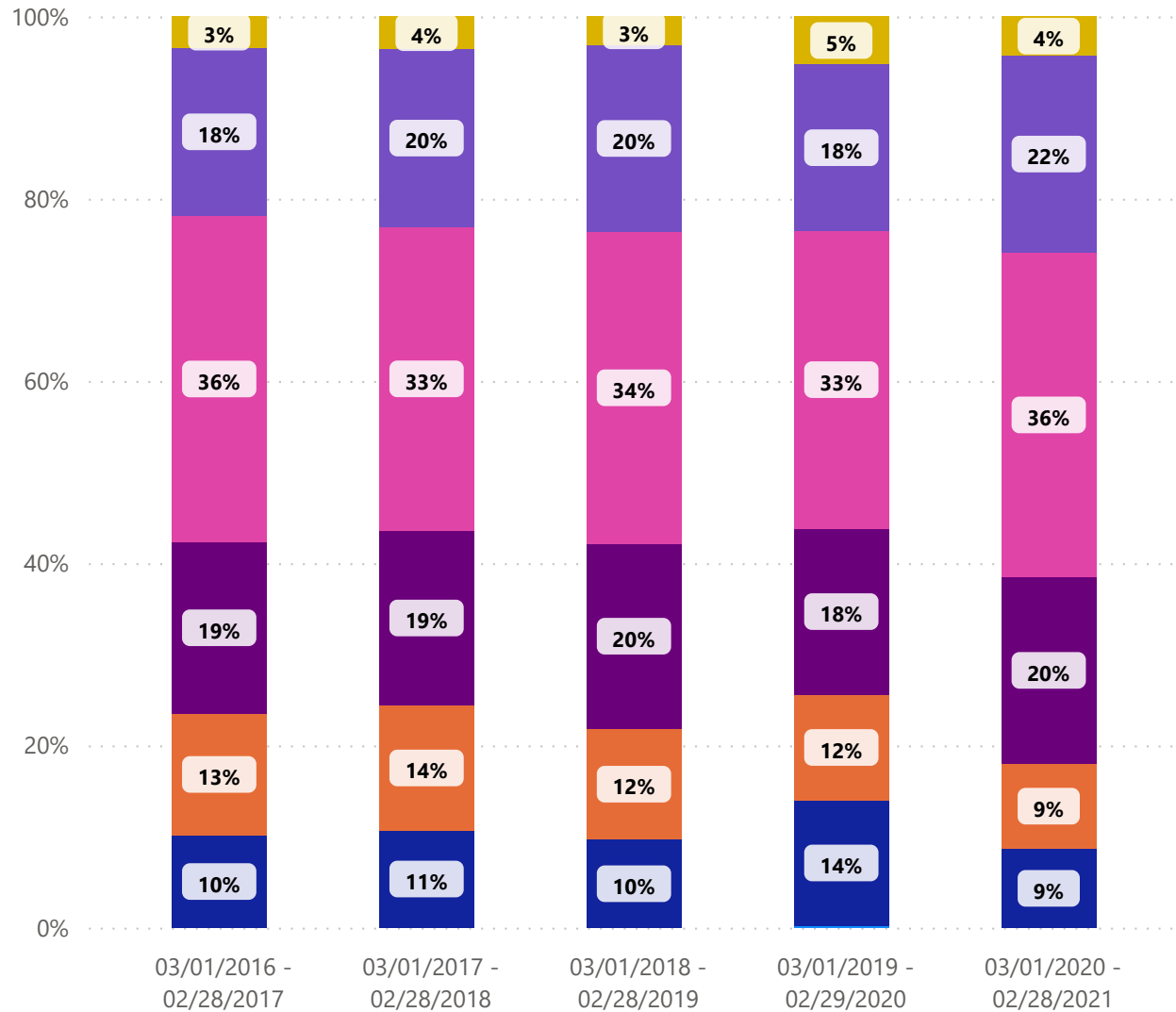
# Workforce Analysis

FCSRMC - WC

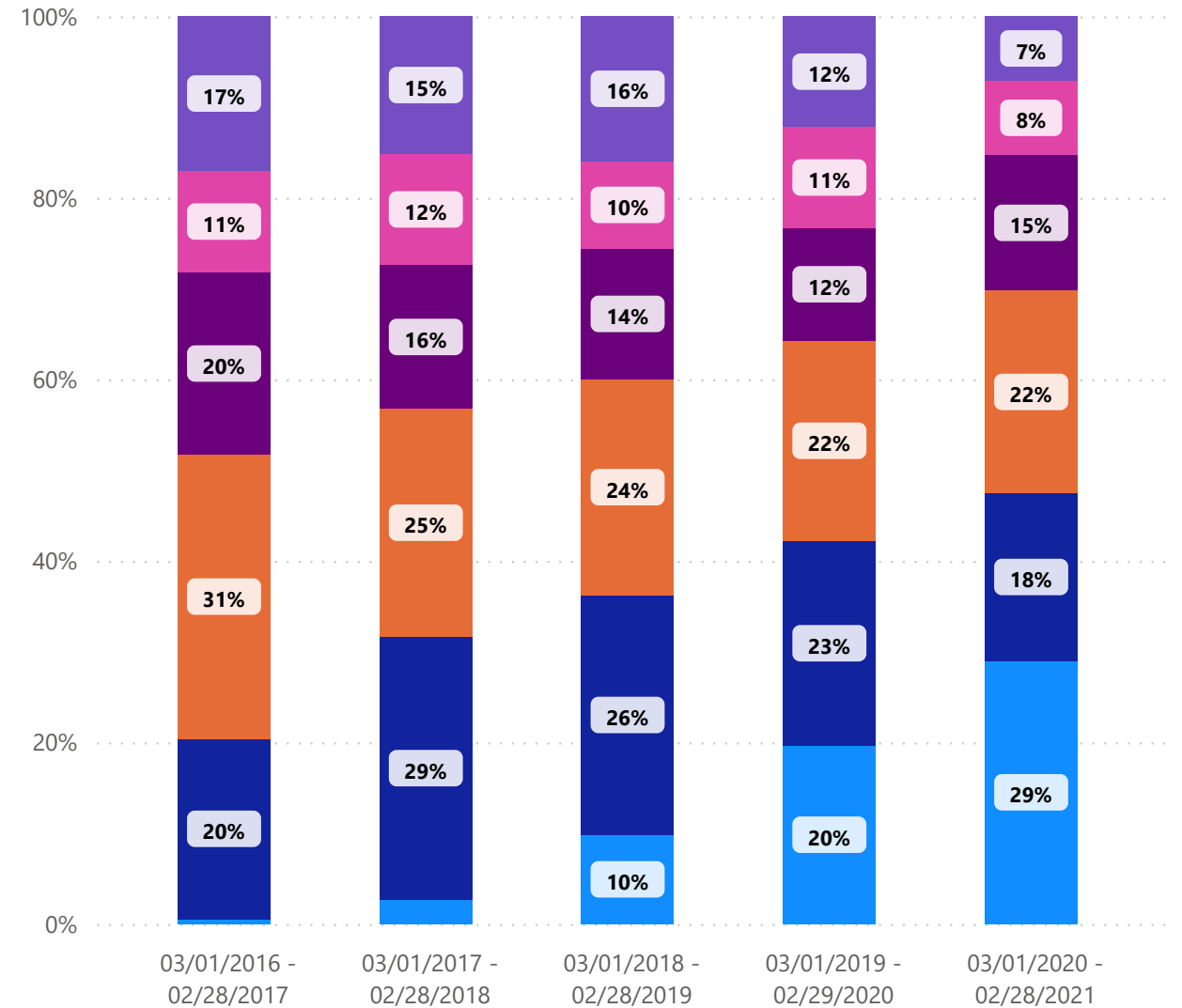
03/01/2016 - 02/28/2021



## % of Claims by Age



## % of Claims by Years Employed



● 17- Years ● 18 - 30 Years ● 31 - 40 Years ● 41 - 50 Years ● 51 - 60 Years ● 61 - 70 Years ● 71+ Years

● 0 - 2 Years ● 3 - 5 Years ● 6 - 10 Years ● 11 - 15 Years ● 16 - 20 Years ● 21+ Years

Information Item 4.a.1.  
Employee Benefit Plans

Self-Insured Health Program  
Cost & Utilization Highlights

## SELF-INSURED HEALTH PROGRAM

### COST & UTILIZATION ANALYSIS HIGHLIGHTS

FCSRMC and Florida Blue work together in managing and monitoring the health program cost and utilization trends. Below please find the highlights from the most recent FCSRMC and Florida Blue medical management team analysis of the health program's 2020 cost and utilization report:

#### FCSRMC ENROLLMENT

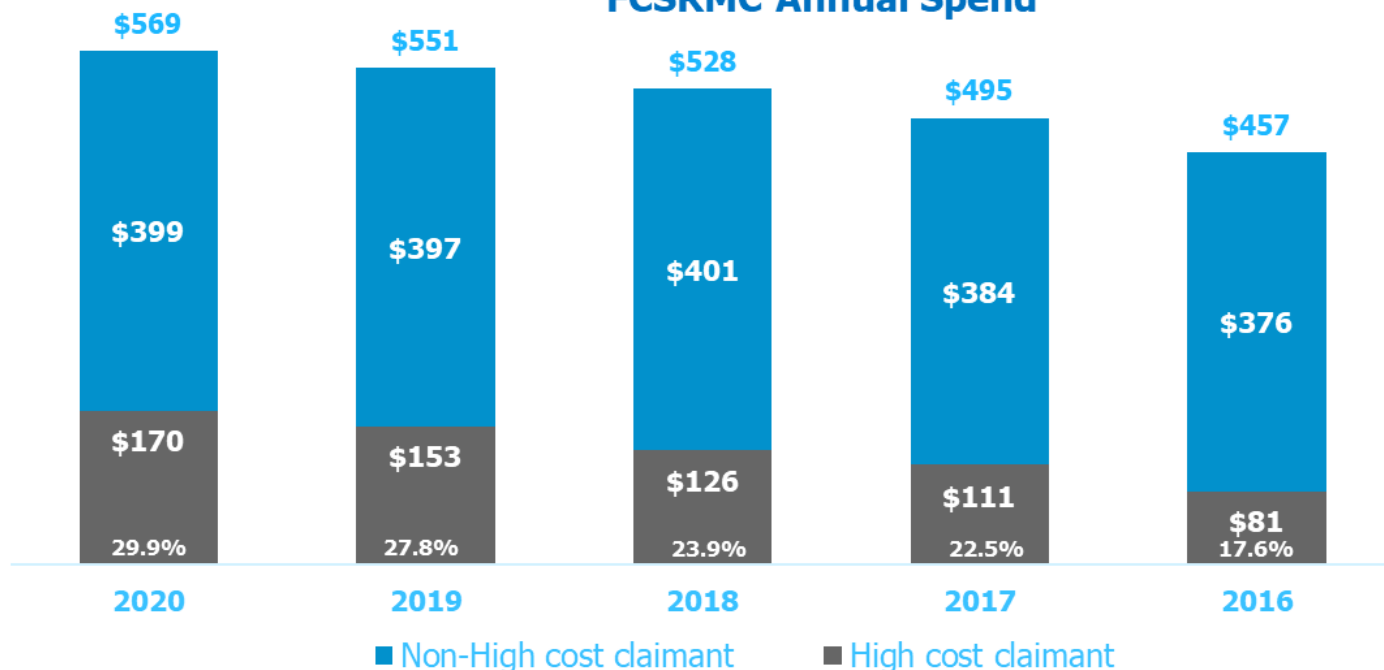
- 22 colleges
- 10,639 employees (average age 50.9)
- 15,276 members (average age 44.2)

#### TRENDS

- FCSRMC's PMPM trend of 3.3% is below the Florida Blue book-of-business trend of 9.9%.
- Spend per claim increased 6.9%
- Per employee per year (PEPY) increased 2.8% to \$9,795
- Per member per month (PMPM) increased 3.3% to \$568 PMPM
- Trend with high-cost claimants removed is up .3% to \$399 PMPM indicating the group minus the high-cost cases performed well at achieving a low overall cost trend.

#### HISTORICAL TREND

##### FCSRMC Annual Spend



## FCSRMC HIGH COST CASES (\$100,000+)

- High-Cost Claimants(HCC): 0.99% of the population is driving 29.9% of spend. Florida Blue benchmark is .6% of the population driving 26.2% of total spend at \$100,000.
- An 11.0% increase in occurrence of HCC cases primarily drove the HCC increase.
- Average cost per case \$206,000.
- Total share of payments for HCM (≥100K) increased 20.2% from \$122 PMPM to \$153 PMPM.

## EMERGENCY CARE

- ER utilization, at 136/1000 is less than book-of-business of 186/1000 ER visits.
- Urgent Care Centers at 419/1000 is higher than book-of-business of 347/1000. \*\*Higher spend per ER visit is expected when a group has increased utilization of urgent care.
- Average ER spend per visit of \$2,188 is higher than book-of-business of \$1,838.
- 1,597 distinct members (10.5% of the population) visited the emergency room.

## FCSRMC MEMBER COST SHARE

- FCSRMC member share of claim costs decreased from 10.7% to 9.9% of allowed charges.
- **Increasing member share to 13.4% from 9.9% would save the plan an estimated \$5 million dollars or \$27.28 pmpm.**

## FCSRMC PHARMACY

- The Consortium achieved \$1.46M (\$8.06 PMPM) of pharmacy network improvements in 2020, due to network status changes for CVS owned pharmacies. The improvements resulted from greater discounts at the Walgreens anchored network which includes Walgreens and all other in-network pharmacies.
- Generic Utilization for the plan year was 83.3%.
- Specialty drugs account for 42% of total pharmacy claim dollars.

## FCSRMC COST SAVINGS MANAGEMENT

- FCSRMC health program uses 93% of premiums for paying claims. 4% of premium is used to purchase stop loss insurance for high cost claims. Only 3% of premiums is used for administration (Florida Blue administration fee, FBMC administration fee, Health Equity administration fee, audit, compliance and consulting fees, ACA fees, wellness program, FCSRMC employee benefits budget).
- Florida Blue's provider negotiated network savings have reduced FCSRMC claim costs 68.3%.
- FCSRMC member claims are in network 98% of the time.
- FCSRMC has a Florida Blue dedicated Case Manager.
- Florida Blue Distinct Centers of Excellence have resulted in high quality outcomes while reducing claim costs over 20%.

## 002 - FCSRMC Total

Paid: 01/01/2020 - 12/31/2020



### 1.01 - Year to Year Trend

2020 - Current PEY	2019 - Prior PEY	2018 - Prior PEY
\$ 9,795	\$ 9,525	\$ 9,192
2.83% - Increase	3.62% - Increase	0.00% - Baseline
2020 - Current PMPY	2019 - Prior PMPY	2018 - Prior PMPY
\$ 6,822	\$ 6,605	\$ 6,336
3.28% - Increase	4.26% - Increase	0.00% - Baseline

### 1.02 - Payment and Utilization - Group BlueOptions Benchmarks

Total Spend	Benchmark	Current	Prior	% Chng
Claims	384,990	443,909	471,093	(5.8%)
Spend Per Claim	\$ 203	\$ 235	\$ 220	6.9%
Spend	\$ 78,052,678	\$ 104,204,009	\$ 103,464,818	0.7%
PEPM	\$ 732.44	\$ 816.21	\$ 793.75	2.8%
PMPM	\$ 425.80	\$ 568.46	\$ 550.43	3.3%
PMPM (Mbr Resp\$)	\$ 71.64	\$ 60.52	\$ 64.57	(6.3%)
PMPM (Mbr Resp%)	14.4%	9.6%	10.5%	(8.4%)
Inpatient	Benchmark	Current	Prior	% Chng
Admits	863	906	960	(5.6%)
Spend Per Admit	\$ 19,827	\$ 24,026	\$ 21,459	12.0%
ALOS	4.26	5.60	4.88	14.8%
Total Spend	\$ 17,103,735	\$ 21,767,692	\$ 20,600,394	5.7%
Util/1000	56	59	61	(3.2%)
PMPM	\$ 93.31	\$ 118.75	\$ 109.59	8.4%
PMPM (Mbr Resp)	\$ 5.98	\$ 3.40	\$ 3.43	(1.0%)
Outpatient	Benchmark	Current	Prior	% Chng
Visits	11,155	12,421	14,317	(13.2%)
Spend Per Visit	\$ 1,316	\$ 1,421	\$ 1,258	12.9%
Total Spend	\$ 14,684,722	\$ 17,645,967	\$ 18,010,096	(2.0%)
Util/1000	730	813	914	(11.0%)
PMPM	\$ 80.11	\$ 96.26	\$ 95.81	0.5%
PMPM (Mbr Resp)	\$ 10.49	\$ 9.00	\$ 9.36	(3.8%)
ER	Benchmark	Current	Prior	% Chng
Visits	2,841	2,076	2,738	(24.2%)
Spend Per Visit	\$ 1,838	\$ 2,188	\$ 1,999	9.5%
Total Spend	\$ 5,220,013	\$ 4,541,871	\$ 5,471,931	(17.0%)
Util/1000	186	136	175	(22.2%)
PMPM	\$ 28.48	\$ 24.78	\$ 29.11	(14.9%)
PMPM (Mbr Resp)	\$ 7.88	\$ 4.83	\$ 6.65	(27.3%)
Urgent Care	Benchmark	Current	Prior	% Chng
Services	5,300	6,407	5,569	15.0%
Spend Per Service	\$ 89	\$ 93	\$ 83	12.1%
Total Spend	\$ 473,070	\$ 594,892	\$ 461,396	28.9%
Util/1000	347	419	356	18.0%
PMPM	\$ 2.58	\$ 3.25	\$ 2.45	32.2%
PMPM (Mbr Resp)	\$ 0.98	\$ 0.50	\$ 0.80	(37.2%)
Professional	Benchmark	Current	Prior	% Chng
Services	217,794	230,852	250,051	(7.7%)
Spend Per Service	\$ 97	\$ 114	\$ 110	3.2%
Total Spend	\$ 21,214,401	\$ 26,215,453	\$ 27,522,054	(4.7%)
Util/1000	14,258	15,112	15,963	(5.3%)
PMPM	\$ 115.73	\$ 143.01	\$ 146.42	(2.3%)
PMPM (Mbr Resp)	\$ 32.28	\$ 29.59	\$ 30.73	(3.7%)
Pharmacy	Benchmark	Current	Prior	% Chng
Scripts	147,037	191,247	197,458	(3.1%)
Spend Per Script	\$ 132	\$ 161	\$ 146	10.0%
Total Spend	\$ 19,356,738	\$ 30,764,936	\$ 28,864,989	6.6%
Util/1000	9,626	12,520	12,606	(0.7%)
PMPM	\$ 105.60	\$ 167.83	\$ 153.56	9.3%
PMPM (Mbr Resp)	\$ 14.02	\$ 13.20	\$ 13.61	(2.9%)

### 1.03 - Population Average Age By Relation and Gender

Relationship / Gender	Current	Prior	% Chng
Subscriber	50.9	50.7	0.5%
Males	51.1	50.8	0.5%
Females	50.8	50.6	0.5%
Dependents	28.9	29.0	(0.4%)
Males	29.1	29.2	(0.3%)
Females	28.6	28.8	(0.6%)
All Members	44.2	44.1	0.4%

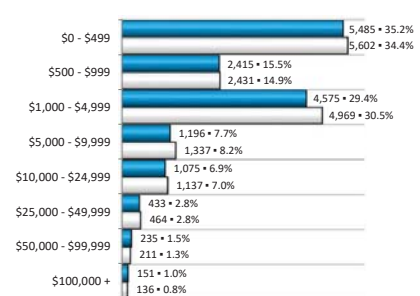
### 1.04 - Population By Coverage Tier

Enrollment	Current	Prior	% Chng
Contracts	10,639	10,863	(2.1%)
Members	15,276	15,664	(2.5%)
Members Per Contract	1.44	1.44	(0.4%)
Annual Churn Rate	10.4%	11.7%	(11.1%)

### 1.05 - Virtual Visits

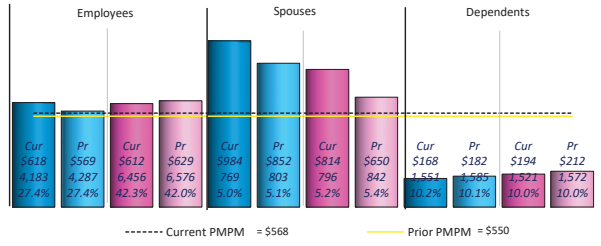
Virtual Provider Type	Current Svcs   Pd	Prior Svcs   Pd
Teladoc	269   \$11.3k	187   \$5.9k
Virtual Visits	1525   \$136.1k	2   \$0.2k
Virtual Visit-PCP	756   \$70.1k	0   \$0.0k
Virtual Visit-Spec	769   \$66.1k	2   \$0.2k
Grand Total	1794   \$147.4k	189   \$6.1k

### 1.06 - Plan Paid Members By \$ Range



\* Excludes members where 100% of allowed went to member share.

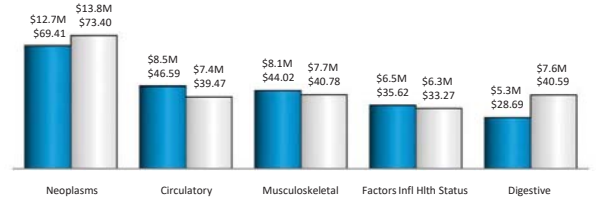
### 1.07 - PMPM by Relationship & Gender



### 1.08 - Member Share as a Percentage of Total Spend and Claim Type



### 1.09 - Top Five Diagnosis Categories With PMPM



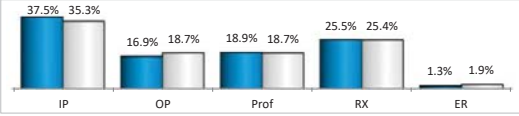
### 1.10 - Top Five Key Facility Utilization

[Rank] Facility Name	Current	Prior
(1) AdventHealth Orlando	\$ 3,523,632	\$ 3,403,561
(2) Orlando Health	\$ 2,348,772	\$ 1,186,914
(3) Baptist Medical Center	\$ 1,991,842	\$ 2,532,204
(4) Mayo Clinic Florida Hospital	\$ 1,830,998	\$ 2,215,723
(5) H Lee Moffitt Cancer Center	\$ 1,795,716	\$ 2,338,896

### 1.11 - High Cost Member Impacts \$100,000

Category	Current	Prior	% Change
High Cost Members	151	136	11.0%
Percent of Population	0.99%	0.87%	13.9%
High Cost Member Spend	\$ 31,135,083	\$ 28,765,301	8.2%
Average Spend Per Case	\$ 206,193	\$ 211,510	(2.5%)
High Cost Members PMPM	\$ 18,588	\$ 19,228	(3.3%)
High Cost PMPM Impact	\$ 169.85	\$ 153.03	11.0%
PMPM Less High Cost Mbrs	\$ 398.61	\$ 397.40	0.3%
Percent of Total PMPM	29.9%	27.8%	7.5%

### 1.12 - High Cost Spend as Percentage by Claim Type



### 1.13 - TOP 5 Diagnostic Categories with Top Three CCS Categories for HCC's

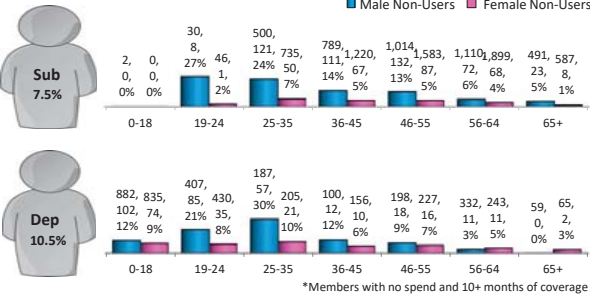
[Rank] Diagnostic Category	Current	Prior
1) 02-Neoplasms - (26%)	\$8,192,023	\$8,192,023
045-Chemotherapy / Radiation	\$2,383,082	\$2,383,082
024-Cancer Of Breast	\$1,256,520	\$1,256,520
042-Secondary Malignancies	\$1,113,548	\$1,113,548
2) Rx-Pharmacy - (26%)	\$7,943,332	\$7,943,332
999-Alprolix Inj 4000Unit	\$965,923	\$965,923
999-Revlimid Cap 10Mg	\$756,162	\$756,162
999-Humira Pen Inj 40/0.4Ml	\$434,350	\$434,350
3) 09-Circulatory System - (14%)	\$4,326,189	\$4,326,189
109-Acute Cerebrovascular Disease	\$842,570	\$842,570
100-Acute Myocardial Infarction	\$823,439	\$823,439
096-Heart Valve Disorders	\$512,707	\$512,707
4) 19-Injury/Poisoning - (7%)	\$2,207,194	\$2,207,194
237-Complication Of Device; Implant Or Graft	\$916,050	\$916,050
230-Fracture Of Lower Limb	\$735,493	\$735,493
234-Crushing Injury Or Internal Injury	\$219,498	\$219,498
5) 13-Musculoskeletal System - (6%)	\$1,737,556	\$1,737,556
205-Spondylolysis; Intervertebral Disc Disorders; Other Back ...	\$661,991	\$661,991
212-Other Bone Disease And Musculoskeletal Deformities	\$652,232	\$652,232
209-Other Acquired Deformities	\$143,429	\$143,429

Benchmark data is based off claims paid 01/01/2020 - 12/31/2020.

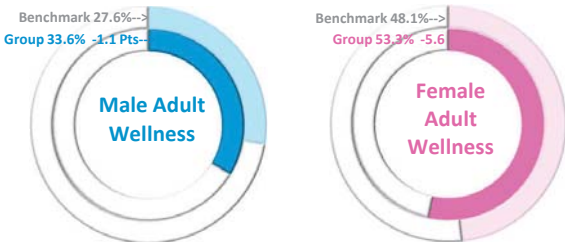
## 002 - FCSRMC Total

Paid: 01/01/2020 - 12/31/2020

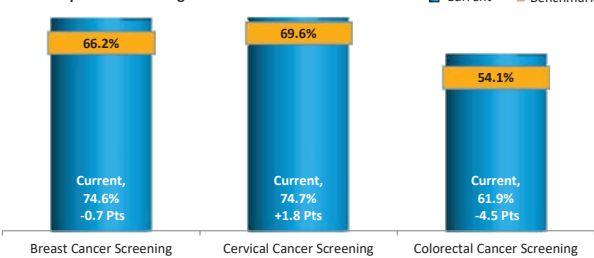
### 2.01 - Non-Users by Age Bracket



### 2.02 - Adult Wellness Screenings



### 2.03 - Compliance Screenings



Benchmark data is based off claims paid 01/01/2020 - 12/31/2020.

### 2.04 - Pharmacy - Key Performance Measures

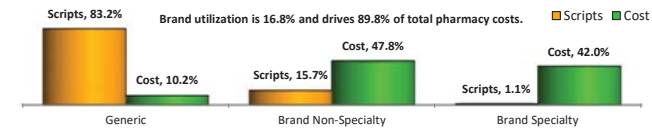
Category	Current	Prior	% Chng
Avg Enrolled Members	15,276	15,664	(2.5%)
Avg Rx Utilizing Members	78% 11,961	80% 12,477	(4.1%)

### 2.05 - Pharmacy - Total Cost and Utilization

Category	Current	Prior	% Chng
Plan Paid	\$ 30,764,936	\$ 28,864,989	6.6%
Member Share	\$ 2,420,554	\$ 2,557,543	(5.4%)
Total Scripts	191,247	197,458	(3.1%)
Total PMPM	\$ 181.04	\$ 167.17	8.3%
Plan Paid PMPM	\$ 167.83	\$ 153.56	9.3%
Member Share PMPM	\$ 13.20	\$ 13.61	(2.9%)
Scripts PMPM	1.04	1.05	(0.7%)

### 2.06 - Pharmacy - Percent of Utilization by Tier

Script Type	Current	Prior	% Paid	% Paid
Generic	83.2%	83.4%	10.2%	12.6%
Brand	12.3%	10.9%	38.4%	36.5%
Non Preferred Brand	3.4%	4.8%	9.4%	11.9%
Specialty	1.1%	0.9%	42.0%	39.0%



### 2.07 - Pharmacy - Average Ingredient Cost, Dispensing Fee, Plan Paid and Member Share

Category	Current	Prior	% Chng
Avg Ingredient Cost	\$ 173.10	\$ 158.46	9.2%
Avg Dispensing Fee	\$ 0.21	\$ 0.52	(59.8%)
Avg Plan Paid	\$ 160.86	\$ 146.18	10.0%
Average Member Share	\$ 12.66	\$ 12.95	(2.3%)

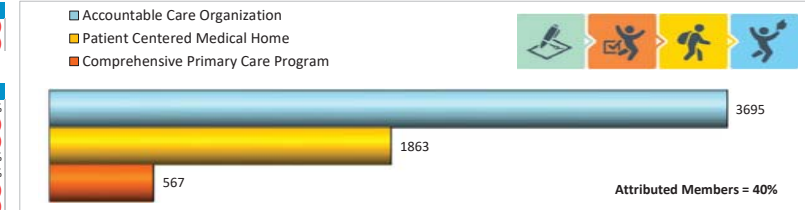
### 2.08 - Pharmacy - Top Five Brand Drugs By Spend

Category	Current	Prior	Current	Prior
(Rank) Drug Name				
(1) Ozempic	701	379	\$ 857,909	\$ 408,262
(2) Trulicity	607	552	\$ 713,208	\$ 578,347
(3) Jardiance	537	431	\$ 524,693	\$ 367,293
(4) Januvia	484	517	\$ 481,868	\$ 450,676
(5) Eliquis	727	603	\$ 451,790	\$ 350,451

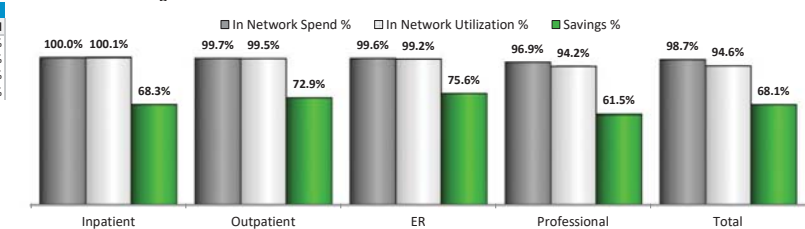
### 2.09 - Pharmacy - Top Five Specialty Drugs By Spend

Category	Current	Prior	Current	Prior
(Rank) Drug Name				
(1) Humira Pen	259	232	\$ 1,560,717	\$ 1,210,158
(2) Alprolix	17	12	\$ 984,790	\$ 958,612
(3) Revlimid	53	56	\$ 960,424	\$ 863,967
(4) Enbrel Sureclick	174	175	\$ 872,010	\$ 796,677
(5) Cosentyx Sensoready Pen	65	35	\$ 418,233	\$ 212,845

### 2.10 - Value Based Provider Attribution



### 2.11 - Network Savings and Utilization



### Key Findings

- 2.01 - 2.03 Non Users / Compliance**
- Approx 8.4% of the population did not utilize health benefits in the current period. 12.3% males & 5.5% females.
  - Subscriber males ages 46-55 have the highest non-user count, 132 non-users.
  - Wellness screenings are above the Florida Blue benchmarks for both adult male and female members.
  - Cancer screening compliance results are above the Florida Blue benchmarks in 3 out of 3 screening categories.
- 2.04 - 2.09 Pharmacy**
- Pharmacy plan paid was \$30,764,936 (+6.6%) and the Plan Paid PMPM was \$168 (+9.3%).
  - Pharmacy trend is impacted mostly by utilization drug mix and inflation.
  - Use of specialty medications is a major factor in drug trend for the book of business and across the industry.
  - Generic utilization decreased and is currently 83.2%.
  - Generic use creates savings to the member and plan and helps limit some of the impact of inflation. Florida Blue BOB averaged 85.1%.
  - Brand and Specialty medications accounted for 16.8% of total utilization and 89.8% of total pharmacy costs.
  - Specialty medications are 1.1% of total scripts and 42.0% of total pharmacy spend.
  - Top Non Specialty Brand Drugs are (1) Ozempic, (2) Trulicity, (3) Jardiance
  - Top Specialty Drugs are (1) Humira Pen, (2) Alprolix, (3) Revlimid
- 2.10 Value Based Providers**
- 6,125 distinct Florida based members (40.1% of membership) are attributed to a Florida Blue value based provider.
- 2.11 Network Savings**
- In-network utilization for Inpatient/Outpatient/ER facility is at 99.6% with spend at 99.8%. Professional is 94.2%.
  - Overall network discount for the time period under review is 68.1% which resulted in savings of \$71.0M to the plan.



## Demographics

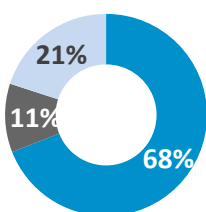
Average Age 44

57% 43%

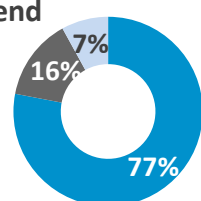
Age Range	% of Membership	% of Spend
0-17	11.1%	3.5%
18-29	14.4%	5.4%
30-39	12.8%	9.3%
40-49	16.5%	13.4%
50-59	21.9%	28.5%
60-64	13.6%	23.3%
65+	9.6%	16.6%

### Relationship by:

#### Prevalence



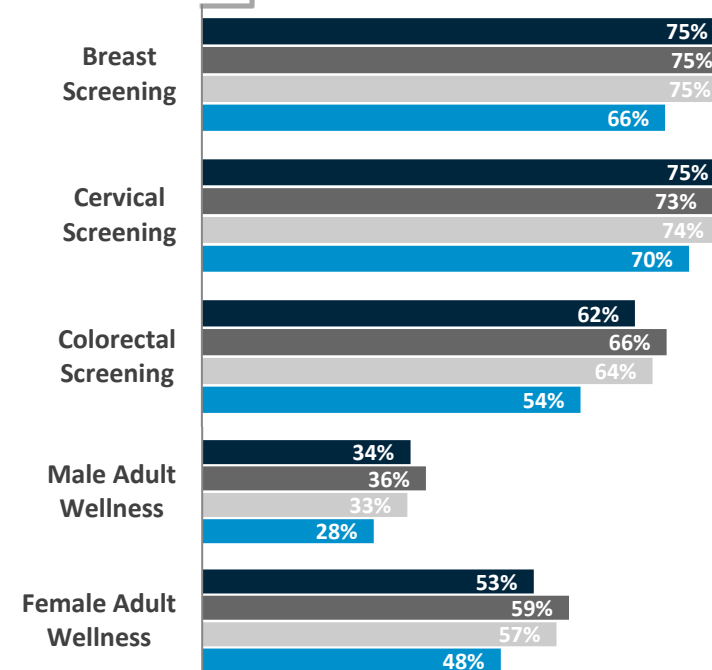
#### Spend



- Average age of:
  - Employee is 51
  - Spouse is 53
  - Dependent is 16
  - Retiree is 66 (range 5-100)
- 33.4% of the female population is of childbearing age (20-44).
- Ages 50-59 continue to drive aggregate spend.
- 45.1% of the population are age 50 or greater, accounting for 68.4% of the overall plan spend.
- Members covered under a retiree contract account for 4.7% of population and 8.2% of the spend.

## Wellness

2020 2019 2018 Benchmark



- All wellness metrics are trending above benchmark.
- Cancer prevalence is at 3.36%, an increase from 3.13% in prior. Benchmark is 3.73%.
- Cancer is the top condition by spend for high cost members, unchanged from the prior period.
- Breast cancer is the top high cost cancer condition by prevalence (21) and spend.
  - Average age for HCC with Breast Cancer is 54 (range 29-69).

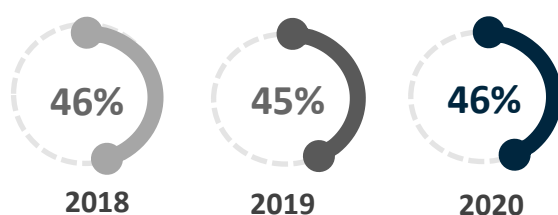
## Core Chronic Conditions

CAD (Coronary Artery Disease); CHF (Congestive Heart Failure), COPD (Chronic Obstructive Pulmonary Disease).

2020 2019 2018 Benchmark

Diabetes	9.4%	9.5%	9.4%	6.6%
Asthma	8.9%	8.5%	8.0%	5.2%
CAD	4.5%	4.5%	4.4%	2.8%
COPD	2.4%	2.5%	2.6%	0.9%
CHF	0.9%	0.8%	0.8%	0.5%

### % of Total Paid



### Chronic Conditions:

- 20.5% of the population have at least one chronic condition, compared to 19.9% in the prior period. The Benchmark is 13.3%.
- Average age 53 (range 1-100).
- Female Employees accounted for 45.3% prevalence and 42.4% spend.

### Diabetes:

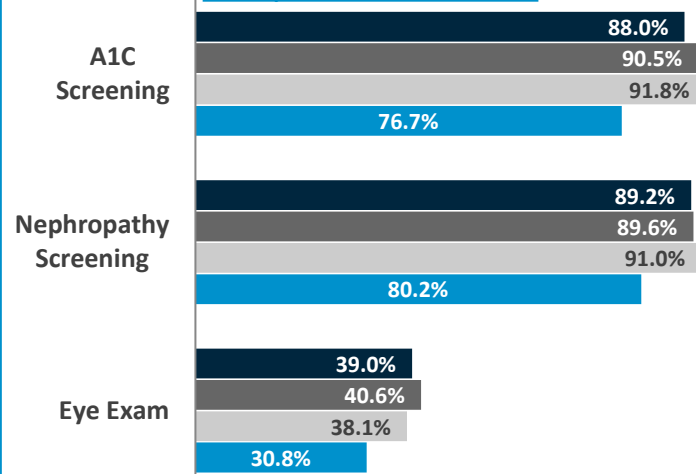
- Average age is 57 (range 9-95).
- 22.4% of members with Diabetes also have a diagnosis of Depression.
- The PMPM cost for a member with diabetes *and* depression is approximately 2.5 times higher than those without depression.
- Previous A1C good control was 51%. The benchmark is 36%.

## Diabetes

Average Age 57

2020	2019	2018	Benchmark
9.4%	9.5%	9.4%	6.6%

### Compliance Measures



2020 2019 2018 Benchmark

51% of members with an A1C result are in the good control range

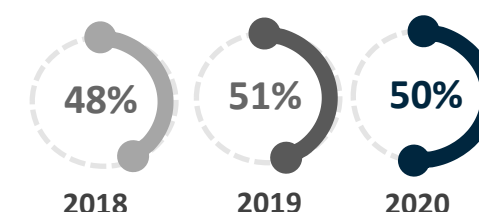
## Hypertension

Average Age 58

2020	2019	2018	Benchmark
26.2%	25.9%	26.3%	19.1%

### % of Total Paid

Employees continue to represent the highest prevalence of 85%

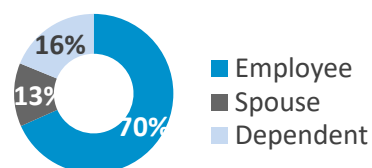


- There were 40 ER visits by 30 members for a primary diagnosis of Hypertension.
- Of the members with Hypertension, 27.6% also have a diagnosis of Diabetes.
- The PMPM cost for a member with Hypertension *and* Diabetes is approximately 4.6 times higher than those without either condition.



## Emergency Room

### By Relationship



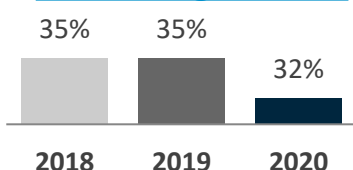
### Top 3 Non-Emergent ER Visits

Sprains & Strains (56)

Hypertension (40)

Urinary Tract Infection (40)

### Non-Emergent visits

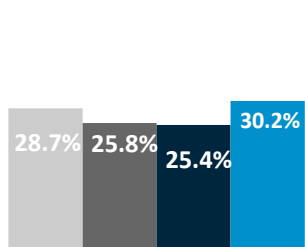


- Average age is 46 (range 0-97).
- 39 members had 4 or more visits to the ER.
  - 12 of these members have cancelled contracts.
  - 57.9% of these visits were potentially divertible.
  - Non-emergent top diagnoses for these members: Hypertension, Urinary Tract Infection, Nausea with Vomiting, & Sprains/Strains.
- 39 members accounted for 49 pregnancy related ER visits.
- Counties by top utilization of ER: Duval 10.6%, Palm Beach 9.3%, and Alachua 7.2%.
- Non-Emergent ER Utilization by College: Fl. State College at Jax 15.2%, Seminole Community College 10.5%, & Palm Beach State College 9.5%.

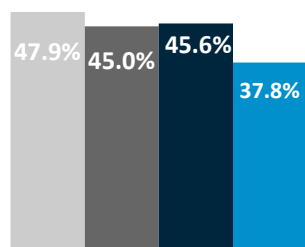
## Lifestyle Risk

■ 2018 ■ 2019 ■ 2020 ■ Benchmark

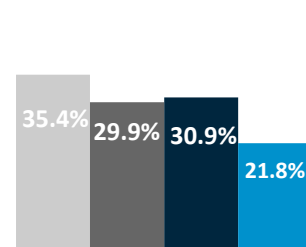
### Tobacco Use



### Overweight/Obesity



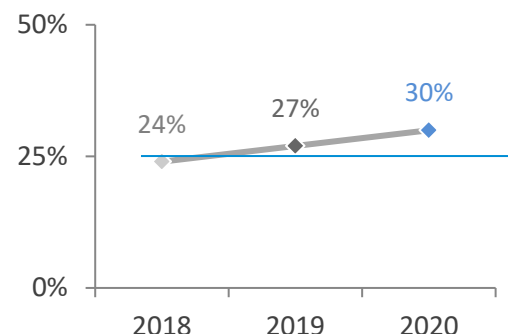
### Cardio-metabolic



## High Cost Members

High Cost Members have a total spend of \$100,000 or greater, benchmark 26%

### % of Total Paid



### Top 5 Diagnostic Conditions by Spend:

Cancer	45%
Circulatory	16%
Rare Condition	11%
Musculoskeletal	8%
Endocrine	3%

### High Cost Diagnostic Conditions by Provider Setting

Category	Prevalence	Spend	Inpatient	Outpatient	Professional	Pharmacy
Cancer	42%	\$13,872,090	23%	24%	27%	26%
Circulatory	16%	\$4,988,434	75%	12%	11%	2%
Rare Condition	12%	\$3,414,601	2%	14%	12%	72%
Musculoskeletal	9%	\$2,488,744	72%	9%	12%	7%
Endocrine	3%	\$1,039,825	19%	35%	26%	20%

- Average age is 56 (range 10-85). HCC by prevalence: 79% Employee, 17% Spouse, & 4% Dependent.
- 38.7% of high cost members have a diagnosis of hypertension *and* a core chronic condition.
- 60% of high cost members have an indicator for depression.
- 35 high cost members accounting for 25.5% of the high cost spend are no longer on the plan. 19 had cancer as a primary diagnosis.

## Additional Observations:

### Lifestyle Risk

- Obesity and Cardio-Metabolic risk remain above benchmark. Conditions continue to trend favorably.

### Behavioral Health:

- May is National Mental Health Month.
- 45 ER visits for a behavioral health diagnosis. Anxiety & Depression were top diagnoses by prevalence.
  - 54 ER visits in 2019.
  - 72 ER visits in 2018.
- 5.1% of the population have a depression indicator on file, compared to 4.2% in the prior period. Average age is 58.

## Recommendations:



### Population Health

- Continue to promote cancer screenings for early detection. Opportunity to increase colorectal screenings through utilization of Cologuard.
- Continue to promote dedicated care manager. Educate members that contacts from Florida Blue team are occurring to help members manage their conditions.



### Emergency Room Utilization

- Teladoc remains an alternative to the ER.
- Ongoing promotion of knowing where to go for care.

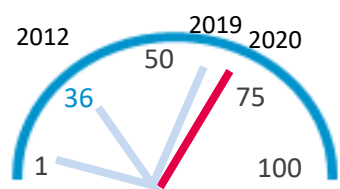


### Blue Partnerships

- Continue to partner with Better You on wellness.
- Blue Distinct Centers for Complex/Cancer Care.

## Member Engagement

- Dedicated Care Management support continues to drive member engagement.
- Engagement remains above benchmark at 70%.
  - 2019: 67%
  - 2012: 41%
  - 2011: 5%
- Top utilized Care Program customized support also includes: Better You, Retail Health, Diabetes, and Healthy Addition.



70% Engagement 2020  
36% benchmark



Performance Summary			
	Current	Prior	% Change
<b>Membership</b>			
Avg Members Per Month	15,309	15,690	-2.4%
Total Unique Utilizers	12,686	13,499	-6.0%
Avg Member Age	44	43	2.3%
<b>Totals</b>			
Plan Paid	\$30,482,347	\$28,975,774	5.2%
Total Paid	\$32,911,625	\$31,563,592	4.3%
Member Paid	\$2,429,278	\$2,587,818	-6.1%
Total Claims	188,894	197,929	-4.6%
<b>Per Member Per Month</b>			
Per Member Per Month (PMPM)	\$179.14	\$167.63	6.9%
PMPM Plan Paid	\$165.92	\$153.89	7.8%
PMPM Member Paid	\$13.22	\$13.74	-3.8%
PMPY Claims	12.3	12.6	-2.4%
<b>Averages &amp; Percentages</b>			
Avg Ingredient Cost	\$173.65	\$158.64	9.5%
Avg Dispensing Fee	\$0.20	\$0.52	-61.6%
Avg Cost	\$174.23	\$159.47	9.3%
Avg Plan Paid	\$161.37	\$146.39	10.2%
Avg Member Contribution	\$12.86	\$13.07	-1.6%
Rx trend is based on utilization, inflation and drug mix			
<ul style="list-style-type: none"> <li>There were 813 less utilizers this period than the prior period.</li> <li>Plan paid increased this period by \$1,506,573.</li> <li>Total claims for this period decreased by 9,035.</li> <li>PMPM plan paid increased by \$12.03 (7.8%).</li> <li>PMPY # claims of 12.3 was higher than Benchmark claims of 10.0.</li> <li>Average ingredient cost increased by \$15.01. Benchmark average ingredient cost is \$156.97</li> <li>Average member contribution decreased by \$0.21.</li> </ul>			

Utilization by Drug Mix				
Drug Type	# Claims	% Claims	\$ Plan Paid	% Plan Paid
Single Source Brand	26,518	14.0%	\$24,928,069	81.8%
Multi-Source Brand	3,355	1.8%	\$1,400,781	4.6%
Multi-Source Brand w/o Generic	1,740	0.9%	\$666,061	2.2%
Generic	157,281	83.3%	\$3,487,437	11.4%
Drug mix influences trend significantly because of the difference in cost by type.				
<ul style="list-style-type: none"> <li>Brand drugs combined for approximately 88.6% of plan spend for the period.</li> <li>Generics have the lowest net cost and were approximately 11.4% of plan spend.</li> <li>Generic utilization remained fair at 83.3%. Benchmark is 86.6%.</li> </ul>				

Utilization by Drug Channel				
Channel	# Claims	% Claims	\$ Plan Paid	% Plan Paid
Mail	5,461	2.9%	\$1,087,456	3.6%
Retail	113,788	60.2%	\$21,512,354	70.6%
ESN	69,645	36.9%	\$7,882,537	25.9%
According to various studies, therapy compliance may be greater when members have access to 90-day supplies for their maintenance medications.				
<ul style="list-style-type: none"> <li>The combined Mail and ESN utilization of 39.8% is higher than the benchmark average of 32.2%.</li> </ul>				

Top 10 Categories by Plan Paid						
Rank	Prior Rank	Disease Category	Generic %	Claims	\$ Paid	\$ Avg Paid
1	1	DIABETES	33.8%	13,725	\$6,521,712	\$475
2	2	AUTOIMMUNE	6.1%	1,071	\$5,387,937	\$5,031
3	3	CANCER	75.2%	916	\$3,659,213	\$3,995
4	6	MULTIPLE SCLEROSIS	14.3%	231	\$1,568,360	\$6,789
5	4	HIV	9.2%	612	\$1,522,701	\$2,488
6	5	ASTHMA/COPD	49.8%	7,744	\$1,353,206	\$175
7	8	HEMOPHILIA	0.0%	18	\$985,521	\$54,751
8	9	OTHER NON-CATEGORIZED	86.4%	11,572	\$808,773	\$70
9	10	ANTICOAGULANT	37.5%	2,048	\$795,262	\$388
10	13	ANTHYPERTENSIVE	98.4%	28,329	\$565,043	\$20
Top Category ranks shift up and down depending on diseases diagnosed and treated.						
<ul style="list-style-type: none"> <li>DIABETES represented 21.4% of total plan paid. Benchmark is 15.9%.</li> <li>DIABETES remained the top category with a decrease of 127 claims and an increase of \$377,925 in plan spend this period. Average paid per claim increased \$31.</li> <li>AUTOIMMUNE continued as the #2 category with an increase of \$1,026,833 in plan spend and 120 claims this period.</li> <li>HIV went from #4 to #5 with an increase of 51 claims and \$146,551 in plan spend.</li> <li>ASTHMA/COPD went from #5 to #6 with an increase of \$100,166 in plan paid and 238 claims.</li> <li>Benchmark top categories are Autoimmune, HIV, Diabetes, Cancer, Asthma/COPD, Multiple Sclerosis, Cystic Fibrosis, Other Non-Categorized, Anticoagulant, and Estrogens &amp; Progestins.</li> </ul>						

Top 10 Drugs by Plan Paid						
Rank	Prior Rank	Brand Name	Disease Category	Claims	\$ Paid	\$ Avg Paid
1	1	HUMIRA PEN	AUTOIMMUNE	274	\$1,637,645	\$5,977
2	2	ALPROLIX	HEMOPHILIA	17	\$984,790	\$57,929
3	3	REVLIMID	CANCER	52	\$941,867	\$18,113
4	10	OZEMPIC	DIABETES	701	\$859,809	\$1,227
5	4	ENBREL SURECLICK	AUTOIMMUNE	170	\$852,011	\$5,012
6	6	TRULICITY	DIABETES	599	\$705,274	\$1,177
7	13	JARDIANCE	DIABETES	533	\$519,274	\$974
8	8	JANUVIA	DIABETES	476	\$474,621	\$997
9	14	ELIQUIS	ANTICOAGULANT	719	\$447,242	\$622
10	5	IBRANCE	CANCER	37	\$434,317	\$11,738
Top drugs can change depending on treatment plans, available drugs and drug preference.						
<ul style="list-style-type: none"> <li>HUMIRA PEN remained the top drug with a decrease of 16 claims and \$82,950 in plan spend.</li> <li>ALPROLIX continued as the #2 drug with an increase of \$26,178 in plan paid and 5 claims. Average paid per claim decreased by \$21,955.</li> <li>OZEMPIC went from #10 to #4 with an increase of 314 claims and \$444,680 in plan paid. Unique utilizers increase by 50, from 92 to 142 in current period.</li> </ul>						

Snapshot			
	Current	Prior	Trend
<b>All Claims</b>			
Claims	188,894	197,929	-4.6%
Plan Paid	\$30,482,347	\$28,975,774	5.2%
Member Paid	\$2,429,278	\$2,587,818	-6.1%
<b>Non-Specialty Claims</b>			
Claims	187,138	196,364	-4.7%
Plan Paid	\$18,170,394	\$18,401,014	-1.3%
Member Paid	\$2,029,065	\$2,229,795	-9.0%
<b>Specialty Claims</b>			
Claims	1,756	1,565	12.2%
Plan Paid	\$12,311,953	\$10,574,760	16.4%
Member Paid	\$400,213	\$358,023	11.8%

Specialty continues as the fastest growing segment because of new drugs, new indications for existing drugs, specified treatment plans & the high cost associated with the drugs in the classes.

- Non-Specialty medications accounted for 59.6% of Plan Paid and more than 99.1% of claims.
- Specialty medications accounted for 40.4% of Plan Paid but 0.9% of claims.

Top 10 Specialty Drugs						
Rank	Prior Rank	Brand Name	Disease Category	Claims	\$ Paid	\$ Avg Paid
1	1	HUMIRA PEN	AUTOIMMUNE	274	\$1,637,645	\$5,977
2	2	ALPROLIX	HEMOPHILIA	17	\$984,790	\$57,929
3	3	REVLIMID	CANCER	52	\$941,867	\$18,113
4	4	ENBREL SURECLICK	AUTOIMMUNE	170	\$852,011	\$5,012
5	7	GILENYA	MULTIPLE SCLEROSIS	48	\$394,394	\$8,217
6	15	COSENTYX SENSOREADY PEN	AUTOIMMUNE	57	\$361,695	\$6,346
7	8	COPAXONE	MULTIPLE SCLEROSIS	62	\$351,447	\$5,669
8	10	STELARA	AUTOIMMUNE	19	\$346,097	\$18,216
9	*	ICLUSIG	CANCER	10	\$337,744	\$33,774
10	11	TECFIDERA	MULTIPLE SCLEROSIS	40	\$304,815	\$7,620

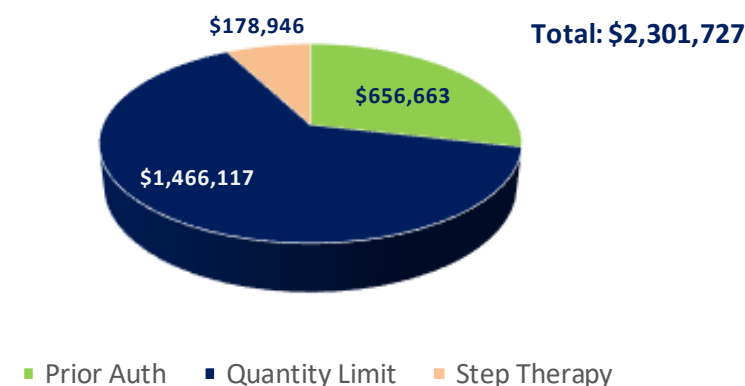
- REVLIMID remained the #3 specialty drug category with a decrease of 6 claims and an increase of \$43,394 in plan spend.
- COSENTYX SENSOREADY PEN jumped from #15 to #6 with an increase of \$158,103 in plan paid and 24 claims. Unique utilizers increased by 5, from 6 to 11 in current period.
- COPAXONE went from #8 to #7 with an increase of 5 claims and \$22,047 in plan spend. Average paid per claim decreased by \$110.

NDC Lockout Actual Savings	
Claim Count	3,931
Unique Utilizers	1,635
Avg Cost/Rx	\$569
<b>Plan Savings</b>	<b>\$2,233,632</b>

Top 10 Specialty Drug Categories						
Rank	Prior Rank	Disease Category	Generic %	Claims	\$ Paid	\$ Avg Paid
1	1	AUTOIMMUNE	0.0%	966	\$5,185,143	\$5,368
2	2	CANCER	29.5%	271	\$3,262,592	\$12,039
3	3	MULTIPLE SCLEROSIS	7.9%	215	\$1,548,085	\$7,200
4	4	HEMOPHILIA	0.0%	17	\$984,790	\$57,929
5	7	IMMUNE GLOBULINS	0.0%	95	\$365,054	\$3,843
6	5	CYSTIC FIBROSIS	9.5%	21	\$230,948	\$10,998
7	8	OTHER NON-CATEGORIZED	0.0%	17	\$146,428	\$8,613
8	9	PULMONARY HYPERTENSION	72.7%	44	\$141,543	\$3,217
9	12	BLOOD MODIFIERS	0.0%	22	\$139,381	\$6,336
10	13	ENZYME DEFICIENCIES	0.0%	12	\$94,474	\$7,873

- CANCER remained the #2 category with a decrease of 24 claims and an increase of \$199,534 in plan spend this period.
- HEMOPHILIA continued as the #3 category with a decrease of \$26,178 in plan paid and 5 claims.
- Top Specialty classes for benchmark include Autoimmune, Cancer, Multiple Sclerosis, Cystic Fibrosis, Hemophilia, Hepatitis C, Growth Hormones, Pulmonary Hypertension, Hematological, Enzyme Deficiencies.

Savings by Utilization Management



Actual Savings for Network Adoption	
Performance Network	
Total Savings	\$1,462,000
Total Savings PMPM	\$8.06
Walgreens Market Share	47%
ESN Utilization	39%

- Walgreens Market Share decreased 1% from the last plan period.
- ESN Utilization increased 4% from the last plan period.

Information Item 4.a.2.  
Employee Benefit Plans

Self-Insured Health Program  
Benchmark

# Blue Health Intelligence® Benchmark Reporting



## Florida College System Risk Management Consortium (FCSRMC) Employee Cost Share Comparison BHI Benchmark Data Incurred Jan 2020 to Dec 2020, Paid through Feb 2021

Blue health Intelligence (BHI) is the nation's largest healthcare data warehouse that brings together medical and pharmacy claims experience representing 195 million lives across 18 Blue Cross Blue Shield plans.

The BHI data warehouse uses normalized data with completion factors applied, is actuarially credible, and is certified by Milliman, USA.

These statistics allow baseline comparisons of your data against National, Regional, and Industry benchmarks. These benchmarks are selected from a dataset that encompasses 83 U.S. industries and annual claims totaling \$104 billion.

The Industry benchmark utilized for FCSRMC is the Educational Services grouping based on the Standard Industrial Classification System. Regional comparisons are based on the southern U.S. census region.

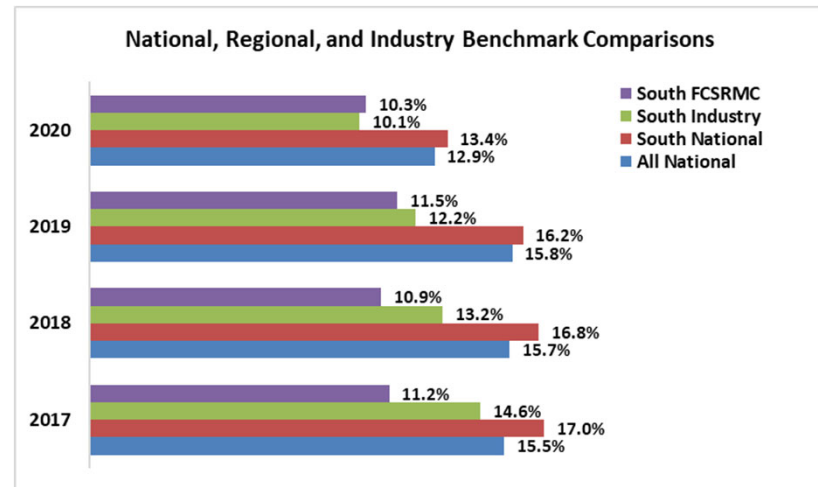
### Employee Cost Share Comparison

This comparison of claim payments shows how costs are shared by plan employees.

FCSRMC's employee cost share (in the form of deductible, copayments and coinsurance costs) decreased, representing 10.3% of total claim payments. This statistic is 0.2% higher compared to peer groups and continues to remain lower than National and Regional benchmarks year-over-year.

A 10.3% employee cost share is an indicator that FCSRMC employees are absorbing only a slightly larger percentage of total medical expenditures compared to peer groups within the benchmark comparisons.

This comparison indicates that FCSRMC continues to pursue a benefit design strategy that helps minimize the burden of continuing rising health care costs on its members.



Florida Blue

Information Item 4.b.  
Employee Benefit Plans

COVID Report Update

## COVID Report Update

College	Number of Tests	Number of Positive Results	Total Spend
Chipola College	109	26	\$92,438
College of Central Florida	173	19	\$120,094
Daytona State College	233	26	\$230,691
Eastern Florida State College	291	37	\$257,153
Florida Gateway College	61	14	\$166,363
Florida Southwestern State College	228	27	\$225,170
Florida State College at Jacksonville	563	82	\$627,369
Gulf Coast State College	172	27	\$224,150
Indian River State College	455	45	\$344,271
Lake Sumter State College	92	8	\$70,774
North Florida College	42	6	\$36,422
Northwest Florida State College	89	19	\$60,711
Palm Beach State College	561	59	\$1,402,977
Pasco-Hernando State College	172	15	\$240,506
Pensacola State College	219	33	\$253,242
Polk State College	231	31	\$211,972
Santa Fe College	429	35	\$467,268
Seminole State College	401	29	\$1,174,907
South Florida State College	120	13	\$493,541
St Johns River State College	194	29	\$205,069
State College of Florida Manatee	133	14	\$587,937
The College of the Florida Keys	37	6	\$18,060
<b>Year to Date Total through March 31, 2021</b>	<b>5005</b>	<b>600</b>	<b>\$ 7,511,085</b>

Information Item 4.c.  
Employee Benefit Plans

EBP Workshop Results



# Florida College System Risk Management Consortium

May 2021

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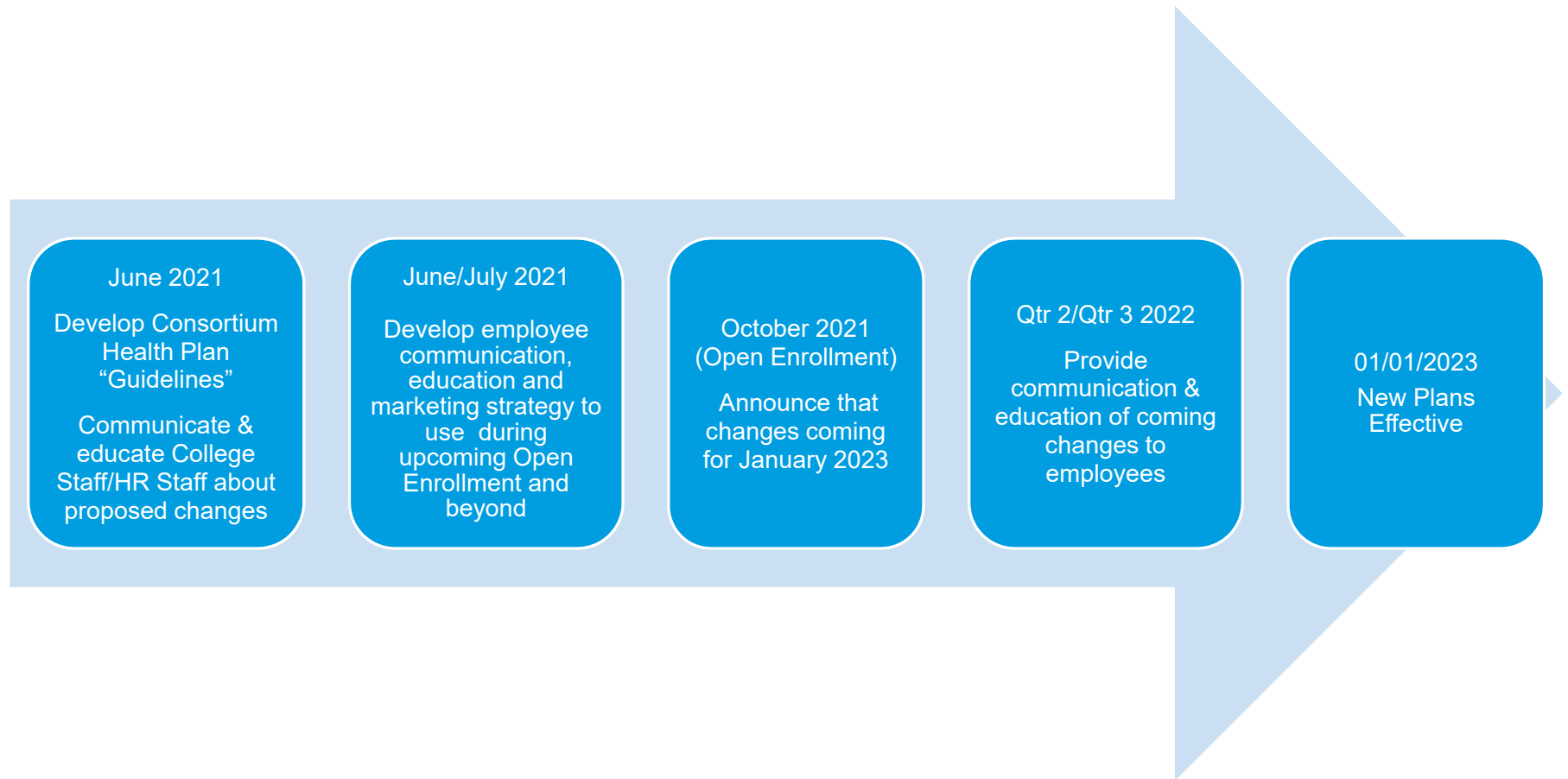
## Current State of Health Plan Offerings

- Lack of real plan value difference (8 Gold Plans + Min Value Plan for Adjunct Profs)
  - Inability to withstand increases over time (colleges and members)
  - No guidelines to manage and adjust plan values over time
- Lack of plan selection indifference by colleges due to various contribution strategies

## Recommendations

- Replace current offerings with new “5 Plan Offering” that includes Gold and Silver Plans (also maintain Bronze 3900 Minimum Value Plan as sixth plan)
- Create “guidelines” to enable Consortium to maintain plan offerings within target value ranges
- Provide recommended “Defined Contribution” model and tier structure for colleges who want to offer more than one plan

## Proposed Timeline/Glidepath



## Current Plans – Too Close in Value so No Real Choice

- As mentioned previously, the Consortium offers numerous plan types, including HMO, PPO, and HDHP options.
- The actuarial values of the nine plans, however, are remarkably close, spanning only a total of approximately eight percent. Plans and their values are shown below:

Plan	HMOs			PPOs					HDHP
	58	51	55	5772	3769	3559	3766	3900*	5190/5191
Actuarial Value*	85.3%	87.7%	88.6%	82.1%	84.5%	86.1%	87.1%	60%	84.1%
Classification	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Bronze	Gold

\*Plan 3900 is a Minimum Value Plan that is only offered to Adjunct Staff

## Enrollment by Plan Varies

- Enrollment in some plans is substantive, while minimal in others. Below is a summary of enrollment by plan and the number of colleges offering each plan:

Plan	HMOs 26% of Enrolled			PPOs 61% of Enrolled					HDHP 13% of Enrolled
	58	51	55	5772	3769	3559	3766	3900	5190/5191
Actuarial Value	85.3%	87.7%	88.6%	82.1%	84.5%	86.1%	87.1%	60%	84.1%
Enrollment	2,607	243	1,063	114	4,392	550	4,223	15	2,058
# of Colleges Offering	9	1	5	2	16	2	12	3	16

## Contribution Strategy Varies by College

- Some pay 100% of EE Only Tier for all plans offered
- Some pay same flat amount for all plans offered
- Other have variation of cost sharing

### **Preferred Contribution Strategy – called “Defined Contribution Strategy”**

- If more than one plan is offered, the preferred contribution strategy is to create a base/buy-up model where the college funds a portion of the lowest value plan and if employees want to enroll in a more expensive plan then they (employee) pay the difference.
- This strategy prevents the college from being impacted financially by the employees choices or from them moving from plan to plan at enrollment, etc.

## Current Plans – Opportunities

Action		Result
Redesign	Move to offering plans that have more significant spread of actuarial values	<ul style="list-style-type: none"> <li>• Creates true choice</li> <li>• Addresses wider range of employees needs</li> <li>• Creates lower cost plan options for colleges who want them</li> <li>• Enhances Consortium's ability to help moderate future increases</li> </ul>
Redistribute	Move colleges to Defined Contribution model if offering more than one plan	<ul style="list-style-type: none"> <li>• Protects colleges from absorbing higher costs for those employees that want the "richer" benefit plan</li> </ul>
Reduce	Move to 5 plan scenario (plus 3900 Min Value Plan) Recommend standard 4-tier structure	<ul style="list-style-type: none"> <li>• Eases administrative burden associated with numerous plans</li> </ul>

Current Plans	HMOs			PPOs					HDHP
	58	51	55	5772	3769	3559	3766	3900	5190/5191
Actuarial Value	85.3%	87.7%	88.6%	82.1%	84.5%	86.1%	87.1%	60%	84.1%
Classification	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Bronze	Gold

Proposed Plans	HMO High Plan	PPOs Middle/Low		HDHP Middle/Low		3900
Actuarial Value	86%	84%	76%	80%	74%	60%
Classification	Gold	Gold	Silver	Gold	Silver	Bronze



# Employee Health Plan Workshop Materials

## 05/19/2021 Meeting

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# Health Plan Basics

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## Medical Plans

### Types of Active Medical Plans



- There are a few common types of Active Medical plans in the market:
  - HMO/EPO (Health Maintenance Organization / Exclusive Provider Organization)
  - PPO/POS (Preferred Provider Organization / Point of Service)
  - HDHP/CDHP (High Deductible Health Plan / Consumer Directed Health Plan)

## Medical Plans - HMOs

### Types of Active Medical Plans



- HMO/EPO (Health Maintenance Organization / Exclusive Provider Organization)
  - In these plans, the carrier determines a network of providers
  - Services are only covered within the network, except for Emergency care
  - Plans are typically “fixed dollar” / copay based in design, allowing members to anticipate expenses, however each year that those fixed dollars are not increased the plan in effect becomes more expensive for the college/consortium

## Consortium HMOs – Many Plan Elements Same/Similar

PLAN OPTION PLAN OPTION NAME	Alternative 1		Alternative 1		Alternative 1	
	2021 Prop 51 - HMO - 5% Increase		2021 Prop 55 - HMO - 5% Increase		2021 Prop 58 - HMO - 5% Increase	
PLAN DESIGN	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Deductible	\$0 / \$0 / \$0	N/A	\$0 / \$0 / \$0	N/A	\$0 / \$0 / \$0	N/A
Out of Pocket Max (incl. deductible)	\$5,000 / \$10,000 / \$10,000	N/A	\$5,000 / \$10,000 / \$10,000	N/A	\$6,000 / \$12,000 / \$12,000	N/A
Coinsurance	0%	N/A	0%	N/A	20%	N/A
Account Funding	N/A		N/A		N/A	
Office Visits						
Preventive	Free	Not Covered	Free	Not Covered	Free	Not Covered
Primary Care	\$40 copay	Not Covered	\$35 copay	Not Covered	\$40 copay	Not Covered
Specialist	\$60 copay	Not Covered	\$50 copay	Not Covered	\$60 copay	Not Covered
Hospital Facility						
Inpatient	\$1,250 copay	Not Covered	\$1,100 copay	Not Covered	\$1,750 copay	Not Covered
Outpatient	\$250 copay	Not Covered	\$250 copay	Not Covered	\$750 copay	Not Covered
Hospital Physician						
Inpatient	Free	Not Covered	Free	Not Covered	Free	Not Covered
Outpatient	Free	Not Covered	Free	Not Covered	Free	Not Covered
Emergency						
Emergency Room	\$150 copay	Not Covered	\$100 copay	Not Covered	Coin.	Not Covered
Mental Health						
Inpatient	Free	Not Covered	Free	Not Covered	Free	Not Covered
Outpatient	Free	Not Covered	Free	Not Covered	Free	Not Covered
Substance Abuse						
Inpatient	Free	Not Covered	Free	Not Covered	Free	Not Covered
Outpatient	Free	Not Covered	Free	Not Covered	Free	Not Covered
Other Services	\$60 copay	Not Covered	\$50 copay	Not Covered	Coin.	Not Covered

## Medical Plans - PPOs

### Types of Active Medical Plans



- PPO/POS (Preferred Provider Organization / Point of Service)
  - These plans have a designated “network” as well, but members can receive services from providers who are not in the network
  - Out of network benefits are usually more expensive to the member
  - Plans are typically a combination of “fixed dollar” / copays and coinsurance. This introduces some consumerism but still provides some predictable costs

## Consortium PPOs – Deductibles Added but Other Elements Similar

PLAN OPTION	Alternative 1		Alternative 1		Alternative 1	
PLAN OPTION NAME	2021 Prop 3559 - PPO - 5% Increase		2021 Prop 3766 - PPO - 5% Increase		2021 Prop 3769 - PPO - 5% Increase	
PLAN DESIGN	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
<b>Deductible</b>	\$700 / \$2,100 / \$2,100	\$700 / \$2,100 / \$2,100 (OON Applies to INN)	\$600 / \$1,800 / \$1,800	\$600 / \$1,800 / \$1,800 (OON Applies to INN)	\$800 / \$2,400 / \$2,400 (INN Applies to OON)	\$800 / \$2,400 / \$2,400 (OON Applies to INN)
<b>Out of Pocket Max</b> (incl. deductible)	\$7,000 / \$14,000 / \$14,000	\$7,000 / \$14,000 / \$14,000	\$6,000 / \$12,000 / \$12,000	\$6,000 / \$12,000 / \$12,000	\$7,000 / \$14,000 / \$14,000	\$7,000 / \$14,000 / \$14,000
<b>Coinsurance</b>	20%	30%	20%	30%	20%	40%
<b>Account Funding</b>	N/A		N/A		N/A	
<b>Office Visits</b>						
Preventive	Free	Coin.	Free	Coin.	Free	Coin.
Primary Care	\$40 copay	Ded. & coin.	\$35 copay	Ded. & coin.	\$40 copay	Ded. & coin.
Specialist	\$60 copay	Ded. & coin.	\$50 copay	Ded. & coin.	\$60 copay	Ded. & coin.
<b>Hospital Facility</b>						
Inpatient	\$900 copay	\$2,500 copay	\$900 copay	\$2,500 copay	\$1,250 copay	Ded. & coin.
Outpatient	\$250 copay	Ded. & coin.	\$250 copay	\$350 copay	Ded. & coin.	Ded. & coin.
<b>Hospital Physician</b>						
Inpatient	Ded. & coin.	20% coin. after ded.	Ded. & coin.	Ded. & coin.	Ded. & coin.	20% coin. after ded.
Outpatient	Ded. & coin.	20% coin. after ded.	Ded. & coin.	Ded. & coin.	Ded. & coin.	20% coin. after ded.
<b>Emergency</b>						
Emergency Room	\$150 copay, coin.	\$150 copay, 20% coin.	\$150 copay, coin.	\$150 copay, 20% coin.	Ded. & coin.	20% coin. after ded.
<b>Mental Health</b>						
Inpatient	Free	\$2,500 copay	Free	Coin.	Free	Coin.
Outpatient	Free	Coin.	Free	Coin.	Free	Coin.
<b>Substance Abuse</b>						
Inpatient	Free	\$2,500 copay	Free	Coin.	Free	Coin.
Outpatient	Free	Coin.	Free	Coin.	Free	Coin.
<b>Other Services</b>	Ded. & coin.	Ded. & coin.	Ded. & coin.	Ded. & coin.	Ded. & coin.	Ded. & coin.

## Medical Plans – HDHP/CDHPs

### Types of Active Medical Plans



- HDHP/CDHP (High Deductible Health Plan / Consumer Directed Health Plan)
  - These plans are similar to PPOs, but generally have higher deductibles and have an associated account
  - Linked to either an HRA (Health Reimbursement Account) or an HSA (Health Savings Account)
  - Plans typically have no fixed dollar copays and are intended to drive consumerism through cost transparency. These plans also “self-adjust” each year because coverage is primarily based on a coinsurance percentage, thereby only requiring occasional adjustments to the deductible or out-of-pocket maximums.

# Consortium – HDHP

## Plan value can vary greatly based on account funding

PLAN OPTION	Alternative 1	
PLAN OPTION NAME	2021 Prop 5190/5191 - HSA - 5% Increase	
PLAN DESIGN	In Network	Out of Network
<b>Deductible</b>	\$1,750 / \$3,500 / \$3,500 (True Family)	\$3,500 / \$7,000 / \$7,000
<b>Out of Pocket Max</b> (incl. deductible)	\$5,000 / \$10,000 / \$10,000 (True Family)	\$10,000 / \$20,000 / \$20,000
<b>Coinsurance</b>	20%	40%
<b>Account Funding</b>	HSA: \$500 / \$1,000 / \$1,500	
<b>Office Visits</b>		
Preventive	Free	Coin.
Primary Care	Ded. & coin.	Ded. & coin.
Specialist	Ded. & coin.	Ded. & coin.
<b>Hospital Facility</b>		
Inpatient	Ded. & coin.	Ded., \$500 copay, coin.
Outpatient	Ded. & coin.	Ded. & coin.
<b>Hospital Physician</b>		
Inpatient	Ded. & coin.	20% coin. after ded.
Outpatient	Ded. & coin.	20% coin. after ded.
<b>Emergency</b>		
Emergency Room	Ded. & coin.	20% coin. after ded.
<b>Mental Health</b>		
Inpatient	Ded. & coin.	20% coin. after ded.
Outpatient	Ded. & coin.	Ded. & coin.
<b>Substance Abuse</b>		
Inpatient	Ded. & coin.	20% coin. after ded.
Outpatient	Ded. & coin.	Ded. & coin.
<b>Other Services</b>	Ded. & coin.	Ded. & coin.
<b>Prescription Drugs</b>		
	<b>Retail</b>	<b>Mail Order</b>
Generic	Ded.	Ded.
Formulary	Ded.	Ded.
Non-Formulary	Ded.	Ded.
Preventive	-	-
Specialty	Ded.	Ded.



# Medical Plans

## Definitions/Plan Features

- **Deductible:** the amount the member must pay before any/most benefits are paid by the plan. This resets every year.
  - For example: A plan has a \$500 deductible for individuals. A member must pay for all care out of their pocket that is subject to the deductible until deductible has been met. Once the deductible is satisfied, the plan's coinsurance benefits kick in.
- **Copay:** a flat amount a member pays (commonly for a professional office visit or for prescription drugs), usually in place of deductibles and coinsurance.
- **Coinsurance:** a percentage (like 20%) of the cost a provider charges the plan that a member pays. This is typically applied to claims only after the deductible has been met.
- **Out-of-pocket (OOP) max:** the maximum a member or family will pay before the plan pays at 100%. This resets every year.
- **Preventive Care:** Healthcare reform has established a list of Preventive Care Guidelines that health plans must cover at 100% if members receive services in-network. This includes things such as 1 annual physical per year, 1 annual mammogram every 2 years for women over the age of 40, and colorectal cancer screening for adults over 50.
- **Prescription drugs:** most plans allow a 30 day supply of prescription drugs to be obtained at a pharmacy for a flat copay, or a 90 day supply via mail order. CDH plans as well as some traditional plans are replacing or including coinsurance and requiring generics, if available.

# Medical Plans

## Deductible Considerations

- A plan can have either an aggregate deductible (also called a “True Family” deductible), or an embedded deductible. This distinction impacts how benefits are applied if the plan covers more than one member.
  - ✓ With an embedded deductible, if one member meets the individual deductible, then coinsurance will begin for future claims on that one member.
  - ✓ With an aggregate deductible, coinsurance will not begin until the entire family deductible is exhausted, even if all claims are incurred by one member.
  - ✓ Most PPOs have embedded deductibles, while most HDHP plans have aggregate deductibles.
- Example: Consider a plan with a \$1,500 Individual / \$3,000 Family deductible, and 20% coinsurance. Both Bob and his spouse are enrolled in this plan. Let’s say Bob has a hospital claim that costs \$2,000 and neither Bob or his spouse has any other claims this year.
  - ✓ If the plan has an embedded deductible, Bob must pay the individual deductible of \$1,500, and then 20% of the remaining \$500 or an additional \$100, for a total of \$1,600.
  - ✓ If the plan has an aggregate deductible, Bob must pay the entire \$2,000 of the claim, since this amount is below the family deductible.
- Aggregate deductibles are most commonly seen in CDHP plans.

# Medical Plans

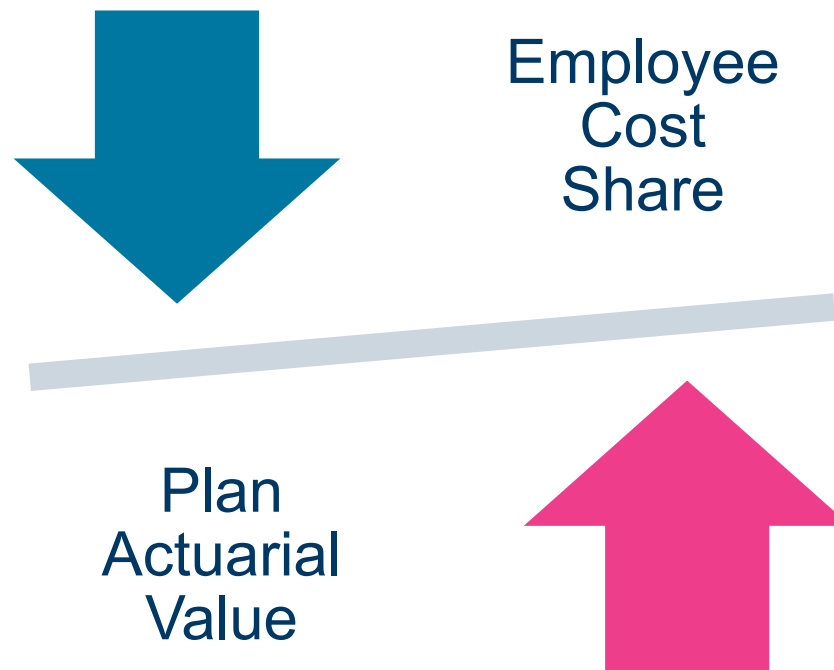
## CDHP Considerations

- These plans were created with “consumerism” in mind
- Consumerism includes anything that increases employee accountability in his/her own health
  - Employees make more informed and careful decisions about medical spending
  - Drives changes in utilization that produce immediate savings and create a more competitive environment among health-care providers
  - HRA or HSA Account provides sense of ownership – that you are spending your own money and will therefore spend more wisely – like a “consumer”
  - However, be aware that not only CDHPs promote consumerism. There are also plan design elements that can be put into other plan designs that promote consumerism as well
- In order for a CDHP to have an HSA account, it must be considered a “qualified” CDHP, or “High Deductible Health Plan” (“HDHP”), to which certain limits apply. In 2021, these limits are as follows:
  - Deductible of at least \$1,400 Single / \$2,800 Family
  - OOP Max no larger than \$7,000 Single / \$14,000 Family
  - HSA contributions limited to \$3,600 Single / \$7,200 Family

## Actuarial value

- **Actuarial Value** – average portion of covered charges that are paid by the plan, as opposed to a member's out-of-pocket costs such as copays, deductibles and coinsurance
  - Higher actuarial value = richer plan
    - Highest possible value is 100% (no member OOP cost share)
    - Minimum value plan under the ACA (Health Care Reform) is 60%
- Assuming there is no change in the health status in the population and people were to have the same claims as the prior year, the plan design changes impact the portion of the cost that is pushed to the employee or employer.

## Impact of plan changes



## Plan Actuarial Value (AV) Names in the Market

Platinum Plan – 90% + AV

Gold Plan – 80% + AV

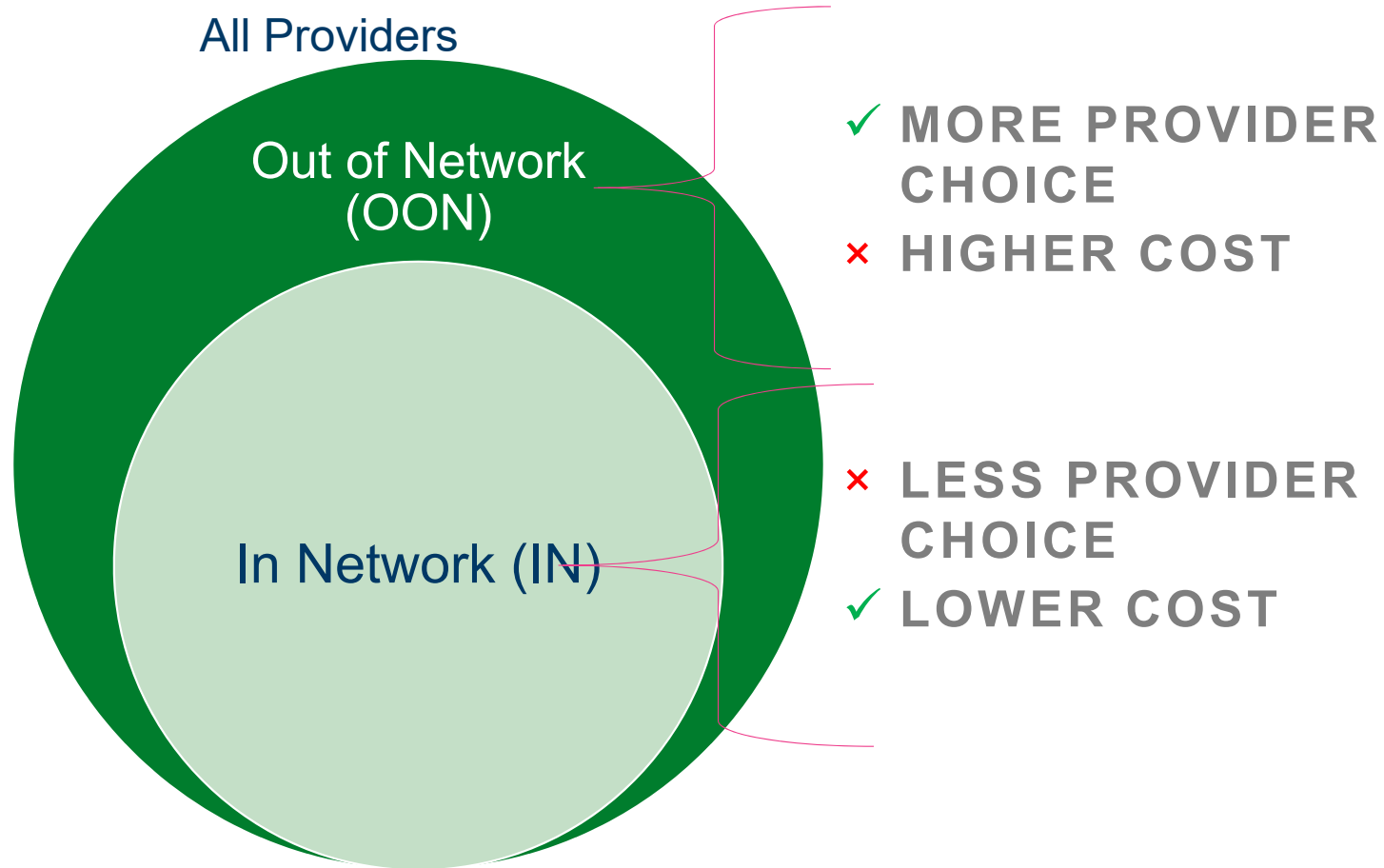
Silver Plan – 70% +

Bronze Plan – 60% +

# Networks

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# Networks

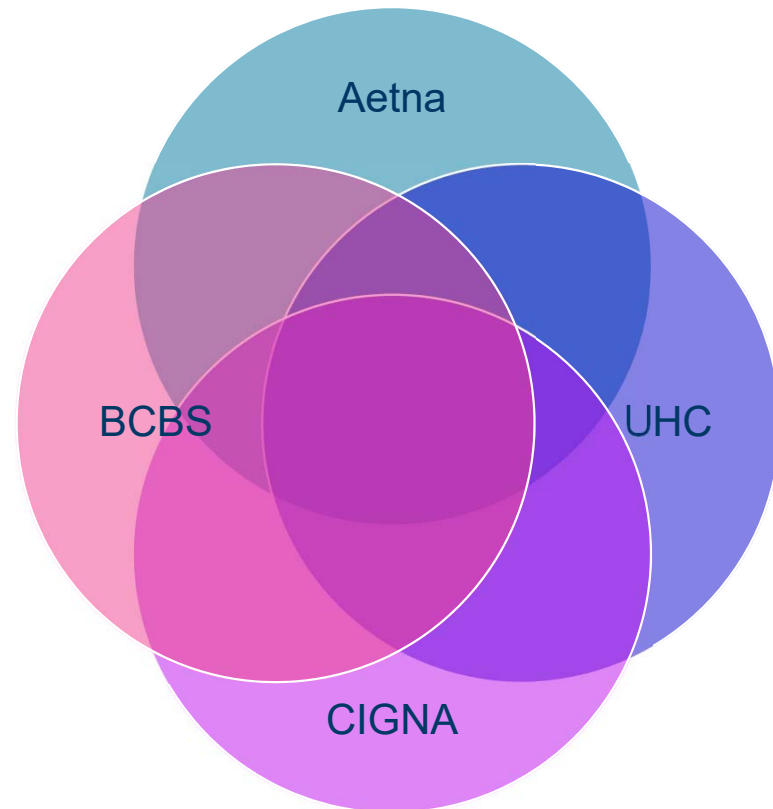




## Networks

### Carriers Have Overlapping Networks

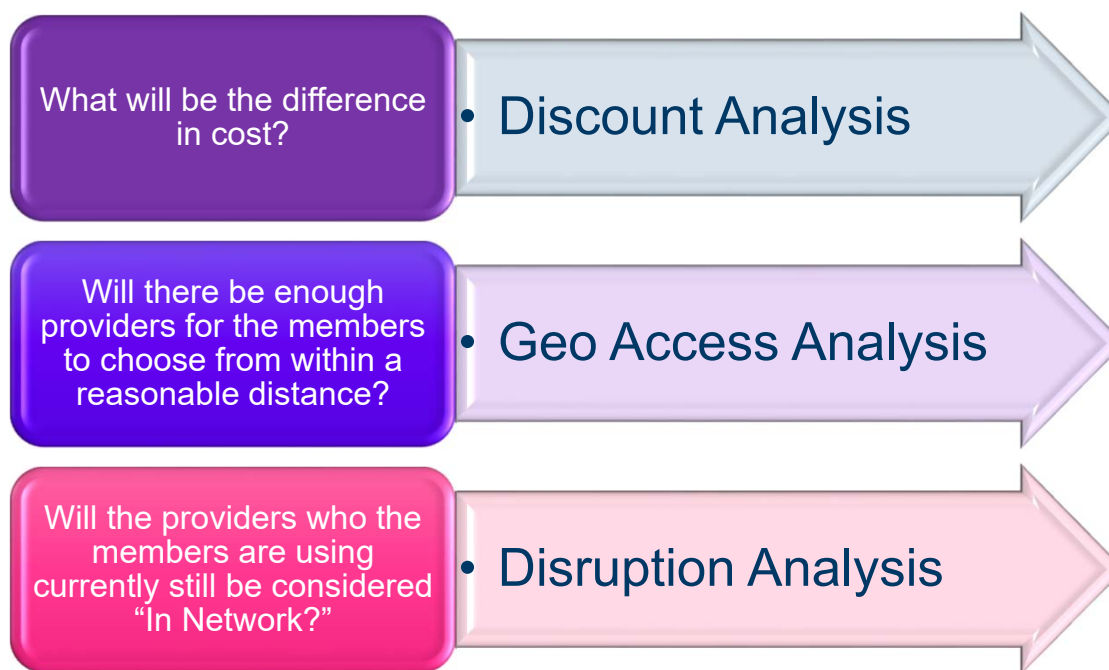
- The carrier's networks overlap
- Some providers may be in all of the carriers' networks, and some may be in none of them.
- Providers which are out of network for one carrier, may be in network for another.



## Networks

# Considerations When Changing Networks

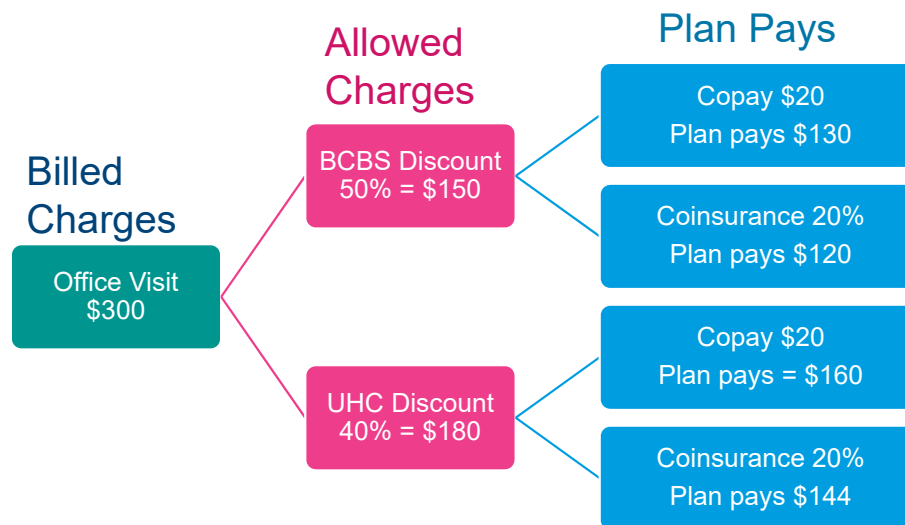
When a client moves their plan to a different network they have some things to consider:



## Networks

### Cost Differences

- Each carrier negotiates different discounts for services with the providers in their network.
- The total amount a provider bills is reduced to an “allowed” charge, depending on the amount of discount in the contract.



# Funding Arrangements

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## Funding arrangements

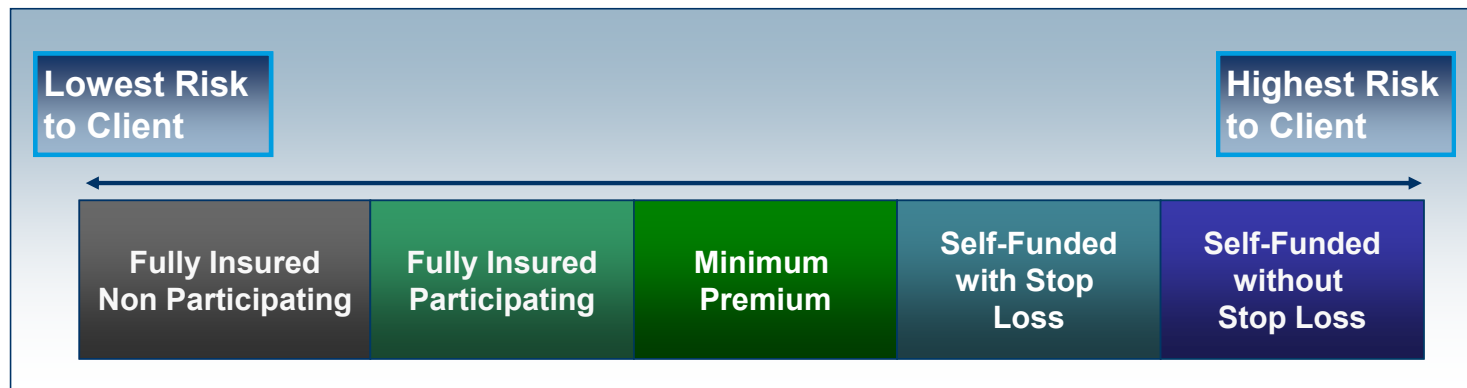
### What Are They?

- A funding arrangement is a way of managing *and/or* sharing risk
- Clients have several options to choose from when managing risk
- Each arrangement has varying levels of fixed vs. variable costs

**Funding  
arrangements  
are often  
called “funding  
vehicles”**

## Funding arrangements At A Glance...

Fully Insured		Self-Funded Plans
Non-Participating Plans	Participating Plans	
Pure Community Rating	Prospectively Rated Participating	Self-Funded with Stop Loss
Demographic Adjusted Community Rating	Minimum-Premium	Self-Funded without Stop Loss
Prospectively Rated Non-Participating	Retrospective Premium call	



# Funding Arrangements

## Cost Components

Component	Self-Insured?	Fully-Insured?
• Paid claims	Yes	Yes
• Reserves – e.g. liability for claims that have been incurred but not yet paid	Yes, but not always funded	Yes
• Retention – administrative costs including:		
– Operating expenses	Yes	Yes
– State premium taxes	No	Yes
– Health care reform fees and taxes	No	Yes
– Risk and contingency charges	No	Yes
– Commissions	No, but ASO fee add-ons are common	Usually
• Pooling/stop-loss – cost to shift risk to third party insurer	Usually (stop-loss)	Yes
• Margin – additional monies added to protect against claim volatility	Sometimes	Often, depending on group size



# The Consortium's Health Plan and how it works

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## Consortium Health Program Basics

- Self insured plan, with a January 1 plan year.
- Florida Blue provides network access, pays claims, and provides medical management services
- Specific stop loss purchased through carve-out carrier (Symetra)
- Pharmacy coverage provided by Prime Therapeutics, a PBM owned by BCBS organizations
- 23 state colleges (currently) participate in the Consortium's health program of varying sizes (100 to 1,500 employees), and from the Florida Keys to the west end of the Panhandle
- Numerous plan types are offered, including HMO, PPO, and HDHP options
- Plans are selected at the college level from among the nine total designs available

## Financial management

- The Consortium plan is self insured, but essentially operates as a fully insured plan for the colleges, in that the rates charged for each month of coverage, by plan and coverage tier, are set for an entire year, without variation, at the college level.
- The self-insured status is appropriate given the size of the risk pool, and better manages the overall cost by eliminating risk charges, premium taxes, and higher margins, and providing greater flexibility in design.
- The pool of funds backing up the claims is impacted by ongoing claims activity, funding entering the pool through college “premium” payment, investment returns, and stop loss claim reimbursements.
- FS section 112.08 dictates that the reserve in the pool must represent at least 60 days of expected claims. The Operations Committee has historically set a goal of keeping three months of reserve. Current reserves represent approximately 100 days of claims.

## Financial management (continued)

- College-specific rates are set to reflect the difference in risk represented by the colleges. Higher risk colleges have higher rates, lower risk have lower rates. This is for two reasons:
  - Fairness – using this methodology, no colleges are subsidizing costs for other colleges through too-high or too-low rates.
  - Competitive positioning – rates that are either too high, compared to what a college might be able to get in the open market, put the college's ongoing participation in the Consortium's pool at risk. Loss of a college in this situation would potentially take the best risk from the pool, ultimately pushing the program into a “death spiral.”



# Consortium's Offering & Opportunities

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## Current Plans – Too Close in Value so No Real Choice

- As mentioned previously, the Consortium offers numerous plan types, including HMO, PPO, and HDHP options.
- The actuarial values of the nine plans, however, are remarkably close, spanning only a total of approximately eight percent. Plans and their values are shown below:

Plan	HMOs			PPOs					HDHP
	58	51	55	5772	3769	3559	3766	3900*	5190/5191
Actuarial Value*	85.3%	87.7%	88.6%	82.1%	84.5%	86.1%	87.1%	60%	84.1%
Classification	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Bronze	Gold

\*Plan 3900 is a Minimum Value Plan that is only offered to Adjunct Staff

## Enrollment by Plan Varies

- Enrollment in some plans is substantive, while minimal in others. Below is a summary of enrollment by plan and the number of colleges offering each plan:

Plan	HMOs			PPOs					HDHP
	26% of Enrolled			61% of Enrolled					13% of Enrolled
	58	51	55	5772	3769	3559	3766	3900	5190/5191
Actuarial Value	85.3%	87.7%	88.6%	82.1%	84.5%	86.1%	87.1%	60%	84.1%
Enrollment	2,607	243	1,063	114	4,392	550	4,223	15	2,058
# of Colleges Offering	9	1	5	2	16	2	12	3	16

## Contribution Strategy Varies by College

- Some pay 100% of EE Only Tier for all plans offered
- Some pay same flat amount for all plans offered
- Other have variation of cost sharing

### **Preferred Contribution Strategy – called “Defined Contribution Strategy”**

- If more than one plan is offered, the preferred contribution strategy is to create a base/buy-up model where the college funds a portion of the lowest value plan and if employees want to enroll in a more expensive plan then they (employee) pay the difference.
- This strategy prevents the college from being impacted financially by the employees choices or from them moving from plan to plan at enrollment, etc.

## Current Plans – Opportunities

Action		Result
Redesign	Move to offering plans that have more significant spread of actuarial values	<ul style="list-style-type: none"> <li>• Creates true choice</li> <li>• Addresses wider range of employees needs</li> <li>• Creates lower cost plan options for colleges who want them</li> <li>• Enhances Consortium's ability to help moderate future increases</li> </ul>
Redistribute	Move colleges to Defined Contribution model if offering more than one plan	<ul style="list-style-type: none"> <li>• Protects colleges from absorbing higher costs for those employees that want the "richer" benefit plan</li> </ul>
Reduce	Move to 5 plan scenario (plus 3900 Min Value Plan) Recommend standard 4-tier structure	<ul style="list-style-type: none"> <li>• Eases administrative burden associated with numerous plans</li> </ul>



## 5 Plan Scenario (plus 3900 Minimum Value Plan)

Plan	HMO High Plan	PPOs Middle/Low		HDHP Middle/Low		3900
Actuarial Value	86%	84%	76%	80%	74%	60%
Classification	Gold	Gold	Silver	Gold	Silver	Bronze

Current Plans	HMOs			PPOs					HDHP
	58	51	55	5772	3769	3559	3766	3900	5190/5191
Actuarial Value	85.3%	87.7%	88.6%	82.1%	84.5%	86.1%	87.1%	60%	84.1%
Classification	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Bronze	Gold

Proposed Plans	HMO High Plan	PPOs Middle/Low		HDHP Middle/Low		3900
Actuarial Value	86%	84%	76%	80%	74%	60%
Classification	Gold	Gold	Silver	Gold	Silver	Bronze

## Sample Impact to Monthly Premiums of Reducing Actuarial Value

Tier	Original Gold Plan (84.5% AV)	New Silver Plan (76.0% AV)
EE Only	\$500	\$450
EE + Spouse	\$1,000	\$900
EE + Child(ren)	\$950	\$854
Family	\$1,550	\$1,394

Tier	Original Gold Plan (84.1% AV)	New Silver Plan (74.0% AV)
EE Only	\$500	\$440
EE + Spouse	\$1,000	\$880
EE + Child(ren)	\$950	\$836
Family	\$1,550	\$1,364



# Appendix

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## Current State by College

Employer Contribution	Notes/Considerations	PPO 3562 (03766)	HMO 10 (55)	PPO 03559	HMO 51	PPO 03769	HMO 58	PPO 03900	PPO Core 05772	HSA Single 05190	HSA Family 05191	# of Plans	Type	Values
100%		Eliminate										2	PPO HSA	84.5% 84.1%
95%												3	PPO PPO HSA	87.1% 84.5% 84.1%
100%												4	PPO PPO PPO HSA	87.1% 84.5% 60% 84.1%
100% of 03769												4	PPO PPO PPO HMO	86.1% 84.5% 60% 85.3%
Flat Rate \$ Amount												4	PPO PPO PPO HSA	87.1% 84.5% 82.1% 84.1%
100%												1	PPO	87.1%

## Current State by College

Employer Contribution	Notes/Considerations	PPO 3562 (03766)	HMO 10 (55)	PPO 03559	HMO 51	PPO 03769	HMO 58	PPO 03900	PPO Core 05772	HSA Single 05190	HSA Family 05191	# of Plans	Type	Values
100% of HMO	Adding \$500 to HSA for 2021		Eliminate				NEW			New	New	3	HMO PPO HSA	85.3% 84.5% 84.1%
100%												2	PPO HSA	84.5% 84.1%
100%												1	PPO	87.1%
Flat Rate \$520												3	PPO PPO HSA	86.1% 84.5% 84.1%
Buy up from H.S.A	\$1,500 Per EE											3	HMO PPO HSA	87.7% 84.5% 84.1%
\$100 Buy up for 03769												3	HMO PPO HSA	85.3% 84.5% 84.1%

## Current State by College

Employer Contribution	Notes/Considerations	PPO 3562 (03766)	HMO 10 (55)	PPO 03559	HMO 51	PPO 03769	HMO 58	PPO 03900	PPO Core 05772	HSA Single 05190	HSA Family 05191	# of Plans	Type	Values
?						New	New			New	New	3	PPO HMO HSA	84.5% 85.3% 84.1%
100%												3	PPO HMO HSA	87.1% 88.6% 84.1%
100% of												4	PPO HMO PPO PPO	87.1% 88.6% 60% 82.1%
Cost Share 03766, 55 & 58												4	PPO HMO HMO HSA	87.1% 88.6% 85.3% 84.1%
Buy up from 03769												4	PPO PPO PPO HSA	87.1% 84.5% 60% 84.1%

## Current State by College

Employer Contribution	Notes/Considerations	PPO 3562 (03766)	HMO 10 (55)	PPO 03559	HMO 51	PPO 03769	HMO 58	PPO 03900	PPO Core 05772	HSA Single 05190	HSA Family 05191	# of Plans	Type	Values
100%												3	HMO PPO HSA	85.3% 84.5% 84.1%
100% of HMO												2	PPO HMO	84.5% 85.3%
100%		Eliminate	Eliminate									4	PPO HMO PPO HSA	84.5% 85.3% 60% 84.1%
100%												4	PPO HMO PPO HSA	87.1% 88.6% 60% 84.1%
100%												4	PPO HMO PPO HMO	87.1% 88.6% 84.5% 85.3%
100% of H.S.A.	Adding \$2,000 for 2020-2023 incentive											3	PPO HMO HSA	84.5% 85.3% 84.1%



## Medical Plans

### Prescription Drug Types

- **Brand:** Drugs that are marketed under a specific trade name by a pharmaceutical manufacturer. In most cases, these drugs are still under patent protection, meaning the manufacturer is the sole source of the product
- **Generic:** Prescription products which are introduced after the brand product loses marketing exclusivity. Often at a significantly lower cost than the brand name alternative
- **Formulary:** List of Brand drugs that are usually offered to members at a lower cost. The development of prescription formularies is based on evaluations of efficacy, safety, and cost-effectiveness of drugs
- **Specialty Drugs:** Drugs derived from biologic source or manufactured using some type of biologic agent. These are drugs that are typically administered through subcutaneous injection, either self-administered or in a doctor's office. They can be *extremely* expensive. Expect this class of drugs to continue to grow rapidly in the next few years.

# Medical Plans

## Pharmacy Types

- **Retail**
  - Retail pharmacies contract to provide pharmacy benefit programs. Reduced network access provides better price discounts
  - Networks can be broad or narrow. Most PBMs maintain very large networks
- **Mail Order**
  - A program that offers maintenance prescriptions (typically up to a 90-day supply) at a discount price arrangement. Prescriptions are mailed directly to participants from a mail-order pharmacy
  - Typically provides deeper discounts than retail pharmacies, due to bulk purchasing (economies of scale)

# Networks

- Most health insurance plans require the use of a specific set of providers and/or facilities. These are called networks.
- HMO plans generally do not cover any services obtained outside of a specific network.
- PPO and CDHP plans generally have better benefits if an enrollee uses the network of providers.
- Cost of services is higher when a member uses a provider who is out of the network, because they are not contracted with the carrier to provide a discounted rate.

## Funding arrangements

### Characteristics Of Self-Insured Plans

- Employer must project the cost of the plan for the upcoming plan year
- Also called Administrative Services Only (ASO) plans
- Employer assumes complete responsibility\* for health care claims, including run-out claims
- Catastrophic individual and aggregate losses can be hedged through additional stop-loss insurance

\*Unless stop-loss insurance is used



## Self Insured Plans

### Specific Stop Loss

- To protect the health plan from unexpected and/or catastrophic claims, specific stop loss insurance can be purchased for self-funded plans.
- Specific stop loss is designed to protect the health plan against excess losses that were paid on behalf of an individual during the policy period. Claim amounts exceeding the “pooling point,” also called the “specific deductible,” for the individual are reimbursed to the plan sponsor. For instance, if a plan has a \$100,000 specific deductible, the coverage will pay the expenses for persons who have paid claims of more than \$100,000 for the policy period.
- For self-funded plans, the specific stop loss deductible is typically determined by the plan sponsor, who may elect to purchase this coverage from the TPA/insurance company, or from an outside (“carve out”) stop loss vendor in the marketplace. Often times, TPAs will add a surcharge to their administrative fees for the cost of submitting required reports to a carve out stop loss insurer.
- The risk tolerance of the client will typically determine what level of coverage is purchased. While analysis can be done to help determine what would be a reasonable stop loss deductible, the client may choose a deductible much lower or higher than recommended.

# Underwriting / Cost Projections

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# What Affects Health Insurance Costs?

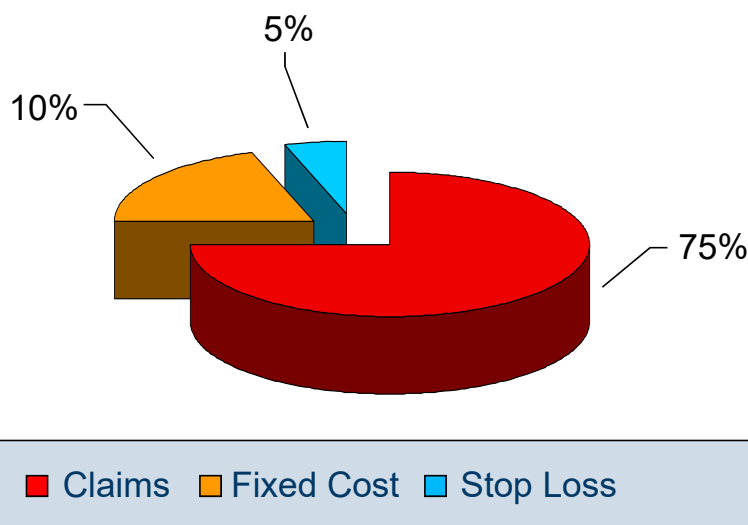
- Claims Experience
- Administrative Cost
- Medical Trend
- Demographics (age, gender)
- Stability / Turnover
- Geographic Location (some areas cost more than double what other areas cost)
- Group Size (fixed cost, stop loss deductible)
- Benefit Design
- Employee Payroll Contributions
- Industry
- Legislation (Mandated Benefits)

## Components of Health Insurance Costs

On average:

- Claims – 85%
- Admin Fees – 10%
- Stop Loss – 5%

Percentages can vary significantly based on funding option and group size with claims making up as much as 95% for self-funded groups with thousands on lives



In simple terms: When conducting an underwriting analysis, the objective is to predict the expected claims, fixed cost and stop loss/pooling costs.



# Breakdown of Cost Components

## Claims Definitions

- Claims
  - Reported Claims
    - Claims that have been received and paid by the claims payer
  - Incurred But Not Reported (IBNR)
    - Claims that have been incurred by covered members but have not yet been paid by the claims payer. Often referred to as reserves or claims lag. The amount of IBNR will vary by claim type, plan design, and claim payer.
  - Margin
    - A load is often applied to claims to account for any potential fluctuation in claims that might occur. Typically, the smaller the group size the higher the margin.
  - Trend
    - A load applied to claims to account for expected increase in cost from one time period to another.

# Breakdown of Cost Components

## Claims Trend

- Trend is a factor used to project the cost of healthcare for a future rating period, and is applied to expected claims to account for increases in healthcare cost between the time period used to calculate the expected claims (“experience period”) and the time period the expected claims are being calculated for (“projection period” – a calendar year, in the case of the Consortium).
- Components of trend
  - Inflation (unit price increase)
  - Utilization changes
  - Leveraging
  - Cost Shifting (Medicare/Medicaid, the uninsured)
  - Technology, new procedures, new techniques
  - Aging (often the impact of aging is included in other parts of trend)
- Other considerations
  - Plan Design
  - Care Management
  - Blended Trend Factor
  - Regional Influences



## Breakdown of Cost Components

### Claims Reporting

- Paid
  - Claims reported by the date the claim was paid regardless of when the claim was incurred.
- Incurred
  - Claims reported by the date the claim was incurred (service provided) regardless of when paid. Claims that have been incurred but not yet paid will not be included.
- Incurred and Paid
  - Claims reported by either the date it was paid or it was incurred, but only claims that were incurred and paid within the reporting period are considered.

## Breakdown of Cost Components

### Claims Reporting (Continued)

Date of Service	Paid Date	Amount Paid
01/05/2017	02/15/2017	\$100
01/05/2017	02/15/2017	\$200
02/08/2017	02/15/2017	\$300
02/08/2017	02/15/2017	\$400
02/20/2017	03/04/2017	\$500

Using the above example for reporting claims for February 2017:

- Paid claims would be reported as \$1,000.
- Incurred claims would be \$1,200.
- Incurred and paid claims would be \$700 since only 2 claims were both incurred and paid in February.

# Projecting Expected Claims

- In order to project claims for an upcoming plan year, we use historical claims and enrollment (experience).
- All calculations should include the following:
  - A credit to remove any claims that exceed the specific deductible
  - An adjustment to account for plan design changes that would result in an increase or decrease in the historical claims had the change been in effect at the time claims were paid
  - An adjustment to reflect the difference between the enrolled population that was in place when the claims were incurred, and the projected enrollment
  - An adjustment for trend
  - Claims fluctuation margin
- Projected claims are added to fixed cost and specific stop loss premiums to get expected total plan cost.
- To develop premium equivalent rates or funding rates we multiply the rates which are currently in effect by the projected enrollment to obtain a current total cost. We then calculate the percentage increase from the current cost to the total projected cost. This is the percentage by which the current rates are increased to obtain the projected funding rates.

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Information Item 4.d.  
Employee Benefit Plans

Self-Billing Invoices & Monthly Payments



## Self-Billing Invoices & Monthly Payments

### Consortium Employee Benefit Plans Self-Billing Process Schedule:

- **10<sup>th</sup> of Each Month**

SBI's are due.

For example, April SBI's are due by April 10<sup>th</sup>, May SBI's are due by May 10<sup>th</sup>, June SBI's are due by June 10<sup>th</sup>, etc.

- **1<sup>st</sup> of the Following Month**

The SBI contact of colleges that have not submitted their respective SBI's to the Consortium will receive a past due email notice.

- **10<sup>th</sup> of the Following Month**

A follow up past due email notice will be sent to the SBI Contact with a copy to the Business Officer and Human Resource Officer.

- **15<sup>th</sup> of the Following Month to the End of the Month**

The Consortium completes the reconciliation process and payment request. The fiscal agent (Santa Fe College) processes the wire to the appropriate carriers.

*SBI payments not made on a timely manner could result in a notification from the carrier to the employee indicating coverage will be terminated due to nonpayment of premium.*



Information Item 5.a.  
Financial Statements

Property/Casualty Program

## FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

## PROPERTY AND CASUALTY PLAN

REVENUES AND EXPENDITURES BUDGET REPORT  
As of February 28, 2021

TOTAL ACTUAL, 12 MONTHS, 2020-2021						TOTAL ESTIMATED 2020-2021		
		CURRENT BUDGET	REALIZED	UNREALIZED	% UNREALIZED	PROJECTED THRU 2/28/21	% CURRENT BUDGET	
REVENUES								
46610	Annual Assessment	35,890,847.00	35,890,846.00	1.00	0.00%	35,890,846.00	100.00%	
46612	Allied Health	311,041.00	271,330.38	39,710.62	12.77%	271,330.38	87.23%	
46614	Inter-Collegiate	2,234,459.00	1,808,221.81	426,237.19	19.08%	1,808,221.81	80.92%	
46616	Other SP Assessment	343,502.00	204,186.86	139,315.14	40.56%	204,186.86	59.44%	
46617	Master Builder's Risk	-	149,268.00	(149,268.00)	-	149,268.00	-	
46618	Educ/Tng Student	357,634.00	260,594.50	97,039.50	27.13%	260,594.50	72.87%	
46619	WC SIR Assessment	92,499.00	90,374.92	2,124.08	2.30%	90,375.00	97.70%	
46635	Other Operations Committee Assessment	-	4,667,207.00	(4,667,207.00)	-	4,667,207.00	-	
	Members Assessments	39,229,982.00	43,342,029.47	(4,112,047.47)	-10.48%	43,342,029.55	110.48%	
46624	Recoveries	56,726.00	520,399.26	(463,673.26)	-817.39%	520,399.26	917.39%	
46625	Recoveries-Excess	381,566.00	199,373.63	182,192.37	47.75%	199,373.63	52.25%	
	Recoveries	438,292.00	719,772.89	(281,480.89)	-64.22%	719,772.89	164.22%	
48130	Int on Invest-Long Term	100,000.00	163,771.12	(63,771.12)	-63.77%	163,771.12	163.77%	
48140	Bank Int Earned - ACE/Chubb	50,000.00	4,019.91	45,980.09	91.96%	4,019.91	8.04%	
48150	Int on Invest-SBA	50,000.00	12.38	49,987.62	99.98%	12.38	0.02%	
48170	Int on Invest-SPIA	300,000.00	1,002,504.23	(702,504.23)	-234.17%	1,002,504.23	334.17%	
48200	Realized (Gain)/Loss	-	31,072.93	(31,072.93)	-	31,072.93	-	
48210	Unrealized (Gain)/Loss	-	(12,633.04)	12,633.04	-	(12,633.04)	-	
63850	Investment Costs (Reporting Fees)	(55,000.00)	(56,386.08)	1,386.08	-2.52%	(56,386.08)	102.52%	
	Interest and Investment Income, Net	445,000.00	1,132,361.45	(687,361.45)	-154.46%	1,132,361.45	254.46%	
	TOTAL REVENUES	\$ 40,113,274.00	\$ 45,194,163.81	\$ (5,080,889.81)	-12.67%	\$ 45,194,163.89	112.67%	
		CURRENT BUDGET	EXPENDED	ENC'D	UNENC'D	% UNENC'D	PROJECTED THRU 02/28/20	% CURRENT BUDGET
63790	Annual Ins Premium	21,508,270.00	20,946,699.23	-	561,570.77	2.61%	20,946,699.23	97.39%
63810	Reimbursement to	-	-	-	-	-	-	-
63820	WC-Carrier Audit	25,000.00	8,910.00	-	16,090.00	64.36%	8,910.00	35.64%
63830	Special Assessment	343,502.00	200,510.00	-	142,992.00	41.63%	200,510.00	58.37%
63831	Master Builder's Risk Assessment	-	149,268.00	-	(149,268.00)	-	149,268.00	-
63835	Claims/Loss Svc Fees	896,997.00	916,782.00	-	(19,785.00)	-2.21%	916,782.00	102.21%
63880	Incurred Claims (Clms Pd+IBNR Change)	11,500,000.00	6,767,485.91	-	4,732,514.09	41.15%	6,767,485.91	58.85%
63881	Paid Claims Hurricane IRMA	2,000,000.00	(568,526.00)	-	2,568,526.00	128.43%	(568,526.00)	-28.43%
46633	Recoveries - Hurricane IRMA	-	(23,410.00)	-	23,410.00	-	(23,410.00)	-
46634	Recoveries - Hurricane MICHAEL	-	71,964.00	-	(71,964.00)	-	71,964.00	-
63884	Paid Claims Hurricane MICHAEL	2,000,000.00	1,067,760.00	-	932,240.00	46.61%	1,067,760.00	53.39%
46638	Recoveries - Hurricane Sally	-	(17,950,966.00)	-	17,950,966.00	-	(17,950,966.00)	-
63893	Paid Claims Hurricane Sally	-	24,369,987.00	-	(24,369,987.00)	-	24,369,987.00	-
63882	Claims Boiler & Machinery	150,000.00	-	-	150,000.00	100.00%	-	0.00%
63885	Facilities Use Deductible	-	-	-	-	-	-	-
63886	Claims Paid-Crime	25,000.00	45,000.20	-	(20,000.20)	-80.00%	45,000.20	180.00%
63887	Cyber Risk Claims	58,737.00	442,670.01	-	(383,933.01)	-653.65%	442,670.01	753.65%
46626	Recoveries Cyber	-	(298,681.26)	-	298,681.26	-	(298,681.26)	-
63889	WC SIR Expense	92,499.00	90,374.92	-	2,124.08	2.30%	90,375.00	97.70%
	Premiums & Claims Expenses	42,925,005.00	36,235,828.01	-	6,689,176.99	15.58%	36,235,828.01	84.42%
50110	Salary P/C	561,687.00	489,487.02	-	72,199.98	12.85%	489,487.02	87.15%
60110	Admin Cost P/C	318,718.00	170,704.12	-	148,013.88	46.44%	170,704.12	53.56%
62001	Printing Services	17,500.00	-	-	17,500.00	100.00%	-	0.00%
63888	IBNR Liability Changes	-	(4,326,000.00)	-	-	-	(4,326,000.00)	-
63895	Conf/Training/Seminars	35,000.00	-	-	35,000.00	100.00%	-	0.00%
64501	SREF Inspection	136,012.00	135,150.00	-	862.00	0.63%	135,150.00	99.37%
64502	Institutional Memberships	-	7,832.73	-	(7,832.73)	-	7,832.73	-
65001	Consulting Services	130,000.00	-	-	130,000.00	100.00%	-	0.00%
65004	Auditing Fees	51,500.00	20,500.00	-	31,000.00	60.19%	20,500.00	39.81%
65009	Bank Fees	-	2,097.14	-	-	-	2,097.14	-
65007	Other Professional Fees (Actuary)	54,800.00	29,287.50	-	25,512.50	46.56%	29,287.50	53.44%
66504	Materials & Supplies	50,000.00	(1,911.96)	-	51,911.96	-	(1,911.96)	-
70110	Capital Cost P/C	26,750.00	3,721.65	-	23,028.35	86.09%	3,721.65	13.91%
70500	Minor Equipment Non-Inventoried	-	-	-	-	-	-	-
70606	Technology Equipment Inventoried	-	-	-	-	-	-	-
	Administrative Expenses	1,381,967.00	(3,469,131.80)	-	527,195.94	38.15%	(3,469,131.80)	-251.03%
	TOTAL EXPENDITURES	\$ 44,306,972.00	\$ 32,766,696.21	\$ -	\$ 7,216,372.93	16.29%	\$ 32,766,696.21	73.95%
INCREASE (DECREASE) IN FUND BALANCE		\$ (4,193,698.00)	\$ 12,427,467.60			\$ 12,427,467.68		

SRECNP check

-

25,018,231.50 Beginning FB  
Projected Ending  
37,445,699.18 FB at 02/28/21

**Florida College System Risk Management Consortium**  
**Property and Casualty Plan**  
**Statement of Net Position**  
**February 28, 2021 and 2020**

	FY 2020-21	FY 2019-20
<b>ASSETS</b>		
CASH IN BANKS	\$ 322,202.62	\$ 164,399.71
INVESTMENT STATE BOARD OF ADMINISTRATION	2,537.04	2,524.66
INVESTMENT SPECIAL PURPOSE INVESTMENT ACCT.	51,629,992.85	26,191,077.99
CASH EQUIVALENTS - STATE INVESTMENT POOLS	51,632,529.89	26,193,602.65
INVESTMENT SECURITIES - Managed Account	7,091,043.51	6,889,219.15
UNREALIZED HOLDING GAIN OR (LOSS) ON SECURITIES	182,863.47	195,496.51
INVESTMENTS, NET	7,273,906.98	7,084,715.66
ACCRUED INTEREST RECEIVABLE	89,427.20	114,204.22
A/R OTHER	-	2,381,563.00
A/R ALLIED HEALTH	-	-
A/R ANNUAL ASSESSMENT	-	-
A/R MASTER BUILDER RISK	873.00	-
A/R CYBER RISK	235,981.41	33,883.30
A/R FACILITIES USE	-	-
A/R INTERCOLLEGIATE ATHLETIC ASSESSMENT	37,577.00	-
A/R EDUCATION / TRAINING	-	-
A/R SELF INSURER ASSESSMENT	7,362.40	13,562.12
A/R OTHER SPECIAL ASSESSMENT	6,581.00	4,015.00
PREPAID EXPENSES	331,495.69	-
ASSESSMENTS RECEIVABLE & PREPAID CLAIMS	619,870.50	2,433,023.42
PREPAID INSURANCE	942,748.94	1,126,234.61
RECOVERABLES FROM EXCESS CARRIERS ON PAID LOSSES	3,991,909.61	14,463,161.55
RESTRICTED DEPOSIT <sup>(1)</sup>	2,280,283.29	3,064,604.38
DEPOSIT HELD IN ESCROW	-	-
PROPERTY AND EQUIPMENT - NET DEPRECIATION	26,393.40	16,897.63
<b>TOTAL ASSETS</b>	<b>67,179,272.43</b>	<b>54,660,843.83</b>
<b>LIABILITIES</b>		
CLAIMS INCURRED BUT NOT REPORTED OR PAID	41,059,965.47	28,213,665.01
ACCOUNTS PAYABLE - CLAIMS	6,404.16	66,028.38
CLAIM LIABILITIES AND INCURRED LOSSES	41,066,369.63	28,279,693.39
REINSURANCE RECOVERABLES ON UNPAID LOSSES	(13,749,340.00)	-
LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES, NET	27,317,029.63	28,279,693.39
UNEARNED ASSESSMENTS	942,673.23	1,126,178.05
ADVANCED ASSESSMENTS	-	-
FUNDS HELD UNDER EXCESS CARRIER TREATIES	1,198,374.00	-
ACCOUNTS PAYABLE - OPERATIONS	152,829.25	128,587.04
ACCRUED LIABILITY - COMPENSATED ABSENCES	122,667.22	108,153.85
<b>TOTAL LIABILITIES</b>	<b>29,733,573.33</b>	<b>29,642,612.33</b>
<b>NET POSITION</b>		
UNDESIGNATED	37,445,699.10	25,018,231.50
DESIGNATED FOR LOSS CONTINGENCY	-	-
<b>TOTAL NET POSITION</b>	<b>\$ 37,445,699.10</b>	<b>\$ 25,018,231.50</b>

(1) Restricted Deposit consists of collateral held by ACE/Chubb for workers compensation

**Florida College System Risk Management Consortium**  
**Property and Casualty Plan**

**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Months Ending February 28, 2021 and 2020**

	FY 2020-21	FY 2019-20
<b>REVENUES</b>		
ALLIED HEALTH ASSESSMENT	\$ 271,330.38	\$ 279,176.01
ANNUAL ASSESSMENT	35,890,846.00	28,934,695.00
BOILER & MACHINERY ASSESSMENT	-	-
INTERCOLLEGIATE ASSESSMENT	1,808,221.81	2,041,579.81
EDUCATION / TRAINING	260,594.50	289,635.48
WC SIR ASSESSMENT	90,374.92	108,547.53
MASTER BUILDER'S RISK ASSESSMENT	149,268.00	85,213.00
OTHER SPECIAL ASSESSMENT	204,186.86	195,192.16
OTHER OPERATIONS COMMITTEE SPECIAL ASSESSMENT	4,667,207.00	4,858,430.00
ASSESSMENTS EARNED	43,342,029.47	36,792,468.99
ANNUAL ASSESSMENTS	(20,946,699.23)	(17,709,191.18)
WC - CARRIER AUDIT (PRIOR YEAR)	(8,910.00)	(6,226.00)
WC SIR EXPENSE	(90,374.92)	(108,547.51)
MASTER BUILDER'S RISK ASSESSMENT	(149,268.00)	(85,213.00)
SPECIAL ASSESSMENTS	(200,510.00)	(186,479.92)
OTHER OPERATIONS COMMITTEE SPECIAL PREMIUM	-	-
PREMIUMS CEDED TO REINSURERS	(21,395,762.15)	(18,095,657.61)
ASSESSMENTS EARNED, NET OF PREMIUMS	21,946,267.32	18,696,811.38
INSURANCE DEDUCTIBLE RECOVERED FROM FEMA / STATE	-	97,432.12
INTEREST EARNED FROM BANK	4,019.91	50,539.38
INTEREST EARNED ON INVESTMENT - SBA	12.38	8,744.92
INTEREST EARNED ON INVESTMENT - SPIA	1,002,504.23	1,269,502.88
INTEREST EARNED ON INVESTMENTS - Managed Account	163,771.12	180,569.80
INTEREST INCOME	1,170,307.64	1,509,356.98
REALIZED GAIN OR (LOSS) ON SALE OF SECURITIES	31,072.93	10,164.36
UNREALIZED GAIN OR (LOSS) ON SALE OF SECURITIES	(12,633.04)	236,733.76
NET GAINS (LOSSES) ON INVESTMENTS	18,439.89	246,898.12
INVESTMENT INCOME, NET	1,188,747.53	1,756,255.10
<b>TOTAL REVENUES</b>	23,135,014.85	20,550,498.60
<b>EXPENSES</b>		
INCURRED CLAIMS	2,441,485.91	6,555,080.76
INCURRED CLAIMS - Hurricane	24,869,221.00	8,261,559.00
INCURRED CLAIMS - Excess Carrier	45,000.20	-
INCURRED CLAIMS - Boiler & Machinery	-	40,000.00
INCURRED CLAIMS - Cyber Risk	442,670.01	53,397.00
RECOVERIES	(719,772.89)	(338,138.93)
RECOVERIES - Cyber Risk	(298,681.26)	(23,410.75)
RECOVERIES - Hurricane	(17,902,412.00)	(7,859,692.00)
INCURRED LOSS AND ALLOCATED LOSS ADJUSTMENT EXPENSES, NET	8,877,510.97	6,688,795.08
CLAIM SERVICING - FEES	916,782.00	956,861.00
CLAIM SERVICING - ADJUSTMENTS	-	-
CLAIM ADJUSTMENTS & SERVICING FEES	916,782.00	956,861.00
ADMINISTRATIVE COSTS	856,868.20	1,061,437.10
INVESTMENT COSTS	56,386.08	53,952.53
SUBSCRIPTIONS	-	-
ADMINISTRATIVE EXPENSES	913,254.28	1,115,389.63
<b>TOTAL EXPENSES</b>	10,707,547.25	8,761,045.71
<b>INCREASE (DECREASE) IN NET POSITION</b>	12,427,467.60	11,789,452.89
<b>NET POSITION, BEGINNING</b>	25,018,231.50	13,228,778.61
<b>NET POSITION, ENDING</b>	\$ 37,445,699.10	\$ 25,018,231.50

Information Item 5.b.  
Financial Statements

Employee Benefit Plans

## FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

**EMPLOYEE BENEFIT PLANS**  
**REVENUES AND EXPENDITURES BUDGET REPORT**  
*As of March 31, 2021*

	TOTAL ACTUAL, 12 MONTHS				TOTAL ESTIMATED 2020	
	CURRENT BUDGET	REALIZED	UNREALIZED	% UNREALIZED	PROJECTED THRU 12/31/20	% CURRENT BUDGET
<b>REVENUES</b>						
46620 Life Assess EBP	3,181,080.00	748,490.40	2,432,589.60	76.47%	3,181,080.00	100.00%
46621 Health Assess EBP	138,680,414.00	34,679,960.35	104,000,453.65	74.99%	138,680,414.00	100.00%
<b>Members Assessments</b>	<b>141,861,494.00</b>	<b>35,428,450.75</b>	<b>106,433,043.25</b>	<b>75.03%</b>	<b>141,861,494.00</b>	<b>100.00%</b>
46624 Recoveries- Pharmacy Rebates/ERRP	7,654,336.00	1,571,699.29	6,082,636.71	79.47%	7,654,336.00	100.00%
46625 Recoveries- Other	-	-	-	0.00%	-	0.00%
<b>Recoveries</b>	<b>7,654,336.00</b>	<b>1,571,699.29</b>	<b>6,082,636.71</b>	<b>79.47%</b>	<b>7,654,336.00</b>	<b>100.00%</b>
48130 Int on Invest-Long Term	190,000.00	56,200.94	133,799.06	70.42%	190,000.00	100.00%
48150 Int on Invest-SBA	1,000.00	3.30	996.70	99.67%	1,000.00	100.00%
48170 Int on Invest-SPIA	404,000.00	110,226.51	293,773.49	72.72%	404,000.00	100.00%
48200 Gain-Loss on Investments	-	9,812.94	(9,812.94)	100.00%	-	0.00%
48210 Unreal (Gain)/Loss	-	(115,262.57)	115,262.57	100.00%	-	0.00%
63850 Investment Costs	-	(11,979.06)	11,979.06	100.00%	-	0.00%
<b>Interest &amp; Investment Income, Net</b>	<b>595,000.00</b>	<b>49,002.06</b>	<b>534,018.88</b>	<b>89.75%</b>	<b>595,000.00</b>	<b>100.00%</b>
<b>TOTAL REVENUES</b>	<b>\$ 150,110,830.00</b>	<b>\$ 37,049,152.10</b>	<b>\$ 113,049,698.84</b>	<b>75.31%</b>	<b>\$150,110,830.00</b>	<b>100.00%</b>
<b>EXPENDITURES</b>						
		EXPENDED	ENC'D	UNENC'D	% UNENC'D	
63700 Life & AD/D Premium	3,181,080.00	748,414.31		2,432,665.69	76.47%	3,181,080.00
63751 Blue Options Svc Fee	4,710,000.00	1,258,688.34		3,451,311.66	73.28%	4,710,000.00
63752 Blue MediCare PPO	1,597,152.00	332,452.75		1,264,699.25	79.18%	1,597,152.00
63756 Blue Options S/L	4,500,000.00	615,093.08		3,884,906.92	86.33%	4,500,000.00
63763 New Directions (EAP Services)	109,332.00	27,988.20		81,343.80	74.40%	109,332.00
63764 Florida Health Care Plan	3,481,752.00	916,197.65		2,565,554.35	73.69%	3,481,752.00
63770 FBMC Benefits Administration	817,200.00	144,048.75	740,951.25	(67,800.00)	-8.30%	817,200.00
63771 Plan C (Hospital, Dental, Vision)	3,762,924.00	857,120.30		2,905,803.70	77.22%	3,762,924.00
63776 Wellness Initiative Refund	200,000.00	5,454.90		194,545.10	97.27%	200,000.00
63507 PCORI Fee	-	-		-	0.00%	-
63880 46623 Incurred Claims includes Stop Loss	126,675,015.00	29,159,994.33		97,515,020.67	76.98%	126,675,015.00
63888 I.B.N.R Liability Changes	-	-		-	0.00%	-
<b>Premiums, Claims &amp; Fees</b>	<b>149,034,455.00</b>	<b>34,065,452.61</b>	<b>740,951.25</b>	<b>114,228,051.14</b>	<b>76.65%</b>	<b>149,034,455.00</b>
50120 Admin Cost EBP-Payroll	506,024.00	115,426.92		390,597.08	77.19%	506,024.00
60120 Admin Cost EBP-Current Expenses	303,601.00	46,230.31		257,370.69	84.77%	303,601.00
62504 Service Contracts/Agreements	-	71,886.25		(71,886.25)	0.00%	-
64501 Other Services	-	-		-	0.00%	-
65001 Consultant Fees	210,000.00	53,183.00	163,117.00	(6,300.00)	-3.00%	210,000.00
65004 Auditing Fees	50,000.00	-	21,000.00	29,000.00	58.00%	50,000.00
70120 Admin Cost EBP-Capital	6,750.00	(579.02)		7,329.02	108.58%	6,750.00
<b>Administrative Expenses</b>	<b>1,076,375.00</b>	<b>286,994.11</b>	<b>184,117.00</b>	<b>\$ 605,263.89</b>	<b>56.23%</b>	<b>1,076,375.00</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 150,110,830.00</b>	<b>\$ 34,352,446.72</b>	<b>925,068.25</b>	<b>\$ 114,833,315.03</b>	<b>76.50%</b>	<b>\$ 150,110,830.00</b>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 2,696,705.38</b>				<b>\$0.00</b>

**Florida College System Risk Management Consortium**  
**Employee Benefit Plans**  
**Balance Sheet**  
**March 31, 2021 and 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
Cash in Banks	\$ 1,027,434.63	\$ 1,061,059.49
Investment State Board of Admin.	8,772.28	8,738.67
Investment Special Purpose Investment Acct.	28,264,134.77	24,145,798.80
Cash and Cash Equivalents	<u>29,300,341.68</u>	<u>25,215,596.96</u>
Investment Securites-Managed Account	10,645,535.68	10,349,849.48
Unrealized Holding Gain/(Loss) on Investments	243,686.82	229,602.12
Investments Available for Sale	<u>10,889,222.50</u>	<u>10,579,451.60</u>
Accrued Interest Receivable	46,783.61	62,043.78
Recoveries, Rebates and Other Receivables	13,156,880.20	7,904,948.34
Prepaid Expenses	-	19,508.94
Deposits <sup>(1)</sup>	-	-
Property and Equipment - Net of Depreciation	27,303.50	24,444.17
Lease Asset - Net of Amortization	-	-
<b>TOTAL ASSETS</b>	<u>53,420,531.49</u>	<u>43,805,993.79</u>
<b>LIABILITIES</b>		
Accounts Payable-Claims	10,853,844.83	8,478,779.30
Accounts Payable-Claim Service Fees	832,271.49	401,452.47
Claims Incurred but not Reported	7,086,802.00	6,148,362.00
Claim Liabilities and Incurred Losses	<u>18,772,918.32</u>	<u>15,028,593.77</u>
Deferred Revenue	304,318.87	299,632.27
Accounts Payable-Operations	2,504,796.89	1,326,374.95
Accrued Liability-Compensated Absences	<u>120,366.60</u>	<u>103,344.14</u>
<b>TOTAL LIABILITIES</b>	<u>21,702,400.68</u>	<u>16,757,945.13</u>
<b>TOTAL NET POSITION</b>	<u>\$ 31,718,130.81</u>	<u>\$ 27,048,048.66</u>

(1) Deposits receivable consists of funds held by Health Equity for prefunding of plans.

**Florida College System Risk Management Consortium**  
**Employee Benefit Plans**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Months Ending March 31, 2021 and 2020**

<b>REVENUES</b>	<b>2021</b>	<b>2020</b>
Premiums Earned - Member Assessments	\$ 35,428,450.75	\$ 30,794,815.63
Premiums Ceded to Reinsurers		
Life and AD/D Premium	(748,414.31)	(703,522.67)
Plan Blue Choice/Options/HMO/HRA S/L Premium	(615,093.08)	(639,956.61)
Fully Insured Premium (CHP, CHIP, Medicare, EAP, FHCP)	(2,133,758.90)	(2,175,223.09)
Net Premiums Earned	31,931,184.46	27,276,113.26
Interest Earned on Investment-SBA	3.30	35.69
Interest Earned on Investment-SPIA	110,226.51	256,684.51
Interest Earned on Investment-Managed Account	56,200.94	72,532.88
Investment Costs	(11,979.06)	(10,925.70)
Investment Income	154,451.69	318,327.38
Realized Gain or (Loss) on Sale of Securities	9,812.94	7,779.00
Unrealized Gain or (Loss) on Investments	(115,262.57)	63,852.53
Net Gain or (Loss) on Investments	(105,449.63)	71,631.53
<b>Total Revenue</b>	<b>31,980,186.52</b>	<b>27,666,072.17</b>
<b>EXPENSES</b>		
Incurred Claims	29,159,994.33	25,585,673.93
IBNR Liability Change	-	-
Recoveries-Stop Loss Adjustments	-	-
Recoveries-Pharmacy Rebates/ERRP	(1,571,699.29)	(997,441.58)
Recoveries-Other	-	-
Incurred Claims Net of Recoveries	27,588,295.04	24,588,232.35
Dental and Vision Service Fee	-	-
Claim Adjustments/Servicing Fees	1,408,191.99	1,432,064.10
Claims Servicing Fees	1,408,191.99	1,432,064.10
Administrative Costs	286,994.11	300,642.46
<b>Total Expenses</b>	<b>29,283,481.14</b>	<b>26,320,938.91</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>2,696,705.38</b>	<b>1,345,133.26</b>
<b>NET POSITION, BEGINNING</b>	<b>29,021,425.43</b>	<b>25,702,915.40</b>
<b>NET POSITION, ENDING</b>	<b>\$ 31,718,130.81</b>	<b>\$ 27,048,048.66</b>



Information Item 5.c.  
Financial Statements

Investment Program

Investment Program  
Chandler Asset Management Introduction  
Presentation and Market Update

# Florida College Systems Risk Management Consortium

*Operating Committee Meeting Introduction*

May 20, 2021

**Mel Hamilton**  
*Senior Relationship Manager*

<b>SECTION 1</b>	<b>Firm Introduction</b>
<b>SECTION 2</b>	<b>Economic Update</b>
<b>SECTION 3</b>	<b>Disclosures</b>

## Section 1 | Firm Introduction



*“We believe if we do what is right for our clients, our own success will follow.”*

## ■ *Independent & Employee-Owned*

- Fixed income specialist since 1988
- Founded by public investment professionals
- Focused on the public sector including higher education and insurance authorities
- Local Office in Orlando area

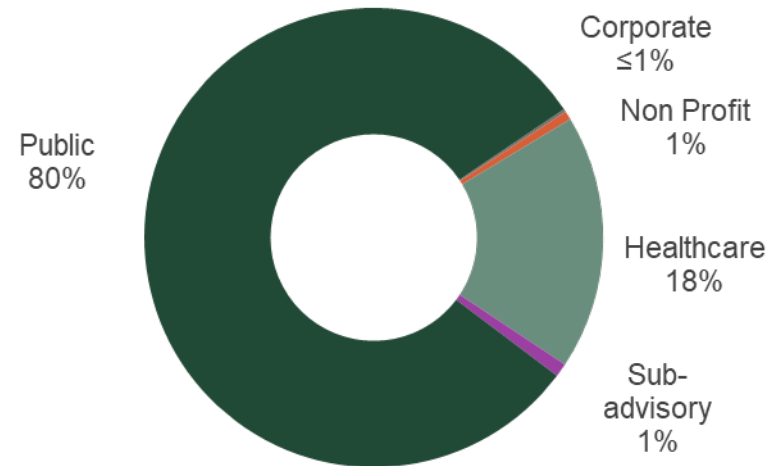
## ■ *Custom Investment Programs*

- Investment solutions based on your risk profile and return goals
- Strategies for operating, short-, and long-term reserves
- Direct contact with investment management team

## ■ *Stable Team of Investment Professionals*

- Team of investment professionals average over 21 years portfolio management experience
- Disciplined, repeatable investment philosophy and process
- Proprietary investment analysis

## Assets Under Management \$22.7 Billion





**Supported by 26 Additional Professionals:**  
*Investment Management, Compliance, Operations, Client Service and Administration*

# Transparency through Reporting and Communication



## Consolidated reporting

- Provides an aggregate view of the entire investment program

## Monthly statements available by the 3<sup>rd</sup> business day

- Reports designed for Accounting and Reporting
  - Portfolio summary, compliance statement, reconciliation summary, holdings report, transactions ledger, income earned, cash flow report

**24/7 Online Access to the Portfolios via the Chandler Client Portal**

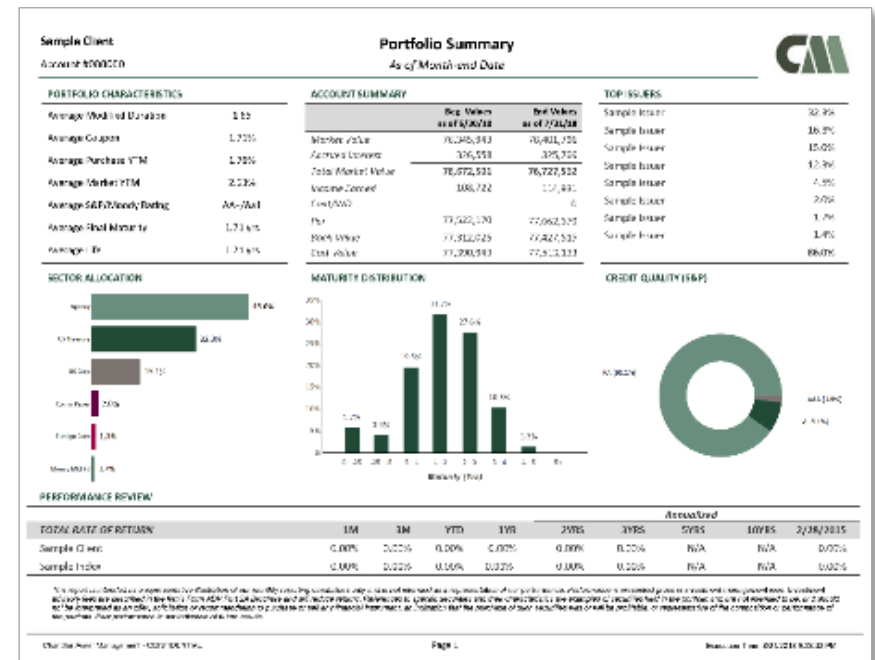
## Quarterly reports in person with investment management team

- Economic overview
- Account profile
  - Objectives and compliance statement
  - Portfolio summary, sector distribution, issuer report, quality distribution, duration distribution and investment performance
- Holdings report, transactions Ledger

## Annual Reporting

- GASB 40 and 72

This sample report is being provided for illustrative purposes to demonstrate Chandler Asset Management's reporting capabilities. References to specific securities and their characteristics are examples of securities held in the portfolio and are not intended to be, and should not be interpreted as an offer, solicitation or recommendation to purchase or sell any financial instrument, an indication that the purchase of such securities was or will be profitable, or representative of the composition or performance of the portfolio. The information contained in this sample presentation was obtained from sources we believe to be reliable, but we do not guarantee its accuracy.





# List of Insurance and Higher Education Clients



*As of September 30, 2020*

INSURANCE CLIENTS	
AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY (ACCEL)	NORTHERN CALIFORNIA SPECIAL DISTRICTS INSURANCE AUTHORITY
BAY CITIES JOINT POWERS INSURANCE AUTHORITY	QSA JPA
BIG INDEPENDENT CITIES EXCESS POOL	PRISM (Formerly CSAC EXCESS INSURANCE AUTHORITY)
CALIFORNIA EARTHQUAKE AUTHORITY	REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
CALIFORNIA INSURANCE POOL AUTHORITY	CITY OF SANTA CLARA MEDICAL MALPRACTICE SELF INSURANCE TRUST
CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY	SMALL CITIES ORGANIZED RISK EFFORT (SCORE)
CALIFORNIA WILDFIRE FUND	SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY	TRINDEL INSURANCE FUND
GOLDEN STATE RISK MANAGEMENT AUTHORITY	WHITTIER AREA SCHOOLS INSURANCE AUTHORITY
LIABILITY COOPERATIVE OF NEVADA	WASHINGTON COUNTIES RISK POOL
MARIN SCHOOLS INSURANCE AUTHORITY	WEST SAN GABRIEL JOINT POWERS AUTHORITY
NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND	YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

HIGHER EDUCATION CLIENTS
CALIFORNIA WESTERN SCHOOL OF LAW
UNIVERSITY OF DENVER
FLORIDA POLYTECHNIC UNIVERSITY
MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT, AZ

*A sample list of Chandler Asset Management's current insurance and higher education clients in alphabetical order. This list includes only clients that have given permission to be listed. It is not known whether the listed clients approve or disapprove of Chandler Asset Management or the services provided.*

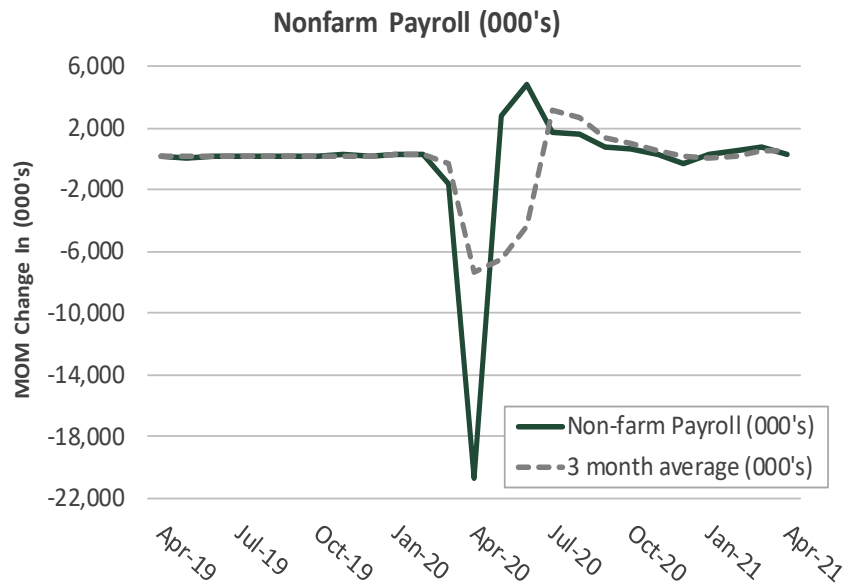
## Section 2 | Economic Update



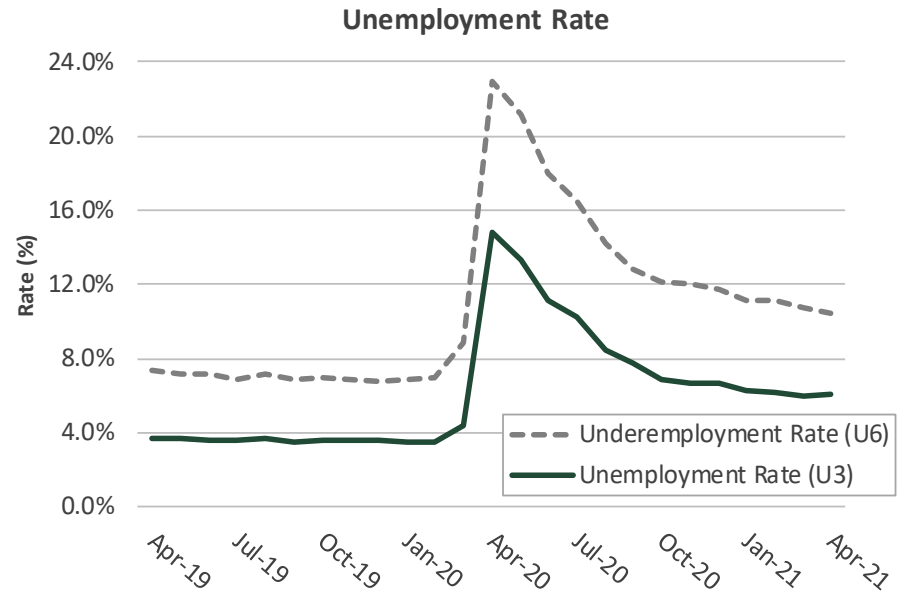
## Economic Update

- We believe accommodative monetary policy, robust fiscal spending, and continued progress on vaccine distribution will provide meaningful tailwinds for the economy in the coming quarters. The vaccine rollout has been faster than expected and more than 30% of the US population is now fully vaccinated, and more than 45% have received at least one dose. Restaurant and bar sales accelerated in March and travel-related spending has started to rebound as the economy reopens. Despite significant progress on the vaccine rollout in the US, and largely better than expected economic data and corporate earnings, the Biden administration continues to push forward with large-scale fiscal spending proposals. President Biden recently proposed plans for more than \$4 trillion in new fiscal spending, which would be in addition to the roughly \$5.5 trillion in pandemic-related fiscal spending that has already been approved since early last year. We expect some version of an infrastructure spending bill to come to fruition later this year. Meanwhile, the Fed has indicated that it plans to keep the fed funds rate near zero until at least 2023. Estimates for US gross domestic product (GDP) growth this year are strong. The current Bloomberg consensus estimate for 2021 US GDP growth is 6.3%.
- The Federal Open Market Committee kept their target fed funds rate and asset purchase program unchanged in April, as expected. The fed funds target rate remains in the range of 0.0% to 0.25%, and the Fed continues to purchase \$80 billion of Treasuries per month, and \$40 billion of agency mortgage-backed securities per month. During his press conference, Fed Chair Powell reiterated that the economy is still a long way from reaching their employment and inflation goals and it is too soon to begin discussing tapering asset purchases. The Fed believes that some parts of the economy will not be able to fully recover until the pandemic is decisively over. Chair Powell also reiterated that near term inflationary pressures are likely to be temporary. Although inflation rates are expected to increase over the next few months, the Fed is not signaling any near-term changes to monetary policy and plans to remain accommodative.
- The yield curve flattened in April but remains steeper on a year-to-date basis. As of April month-end, the yield on 2-year Treasuries was about four basis points higher while the yield on 10-year Treasuries was about 71 basis points higher, on a year-to-date basis. The yield on 10-year Treasuries declined nearly 12 basis points in April, month-over-month. Looking ahead, we believe the Treasury yield curve is poised to modestly steepen further as the year progresses, which would be consistent with an improving economic outlook, more widespread vaccine distribution, the anticipation of ongoing fiscal spending, and a moderate pick-up in inflation.

# Employment



Source: US Department of Labor

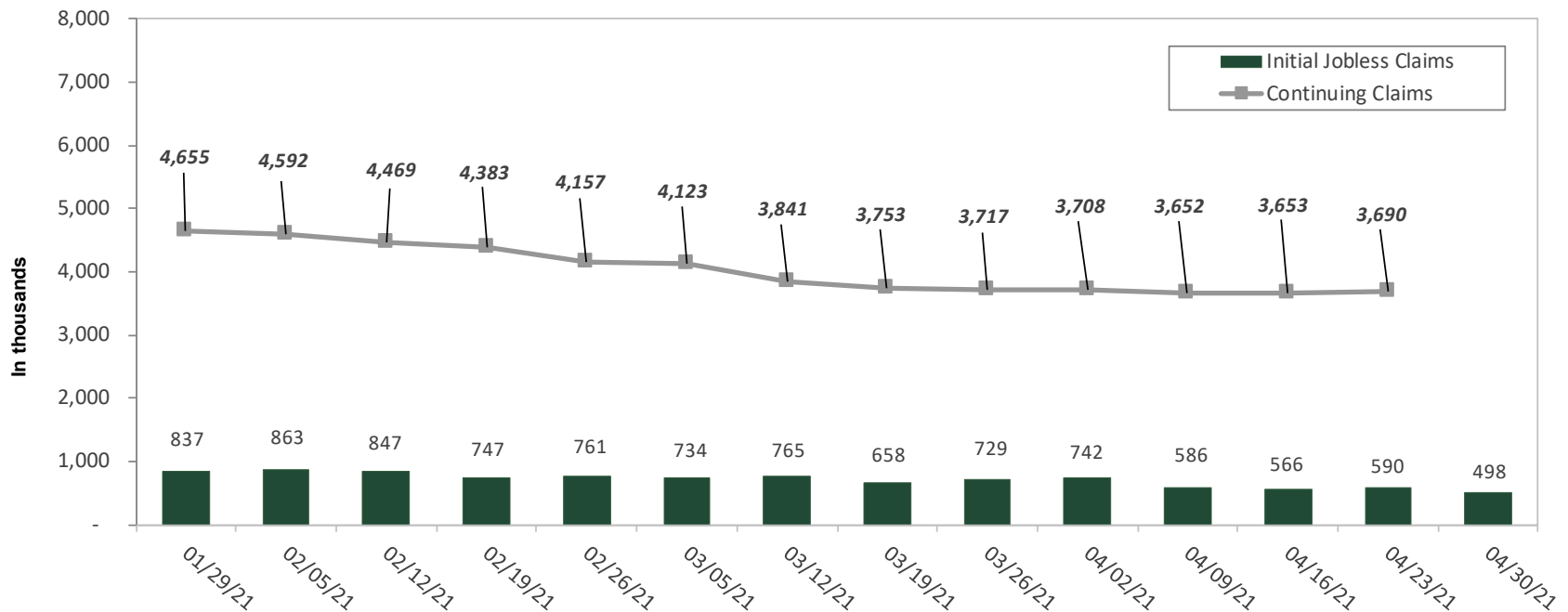


Source: US Department of Labor

The economy added far fewer jobs than expected in April. U.S. nonfarm payrolls increased by 266,000, versus the Bloomberg consensus forecast of 1,000,000. March payrolls were also revised down by 146,000. On a trailing 3-month and 6-month basis, payrolls increased by an average of 524,000 and 294,000 per month, respectively. Payrolls in the leisure and hospitality sector have been driving the job gains in recent months and were up 331,000 in April. Meanwhile, multiple sectors lost jobs in April, including transportation and warehousing, motor vehicle and parts manufacturing, and retail trade. The unemployment rate ticked higher to 6.1% in April from 6.0% in March, as the participation rate increased to 61.7% from 61.5%. Workers who classified themselves as employed but absent from work in April continued to understate the unemployment rate by about 0.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 10.4% in April from 10.7% in March.

# Initial Claims for Unemployment

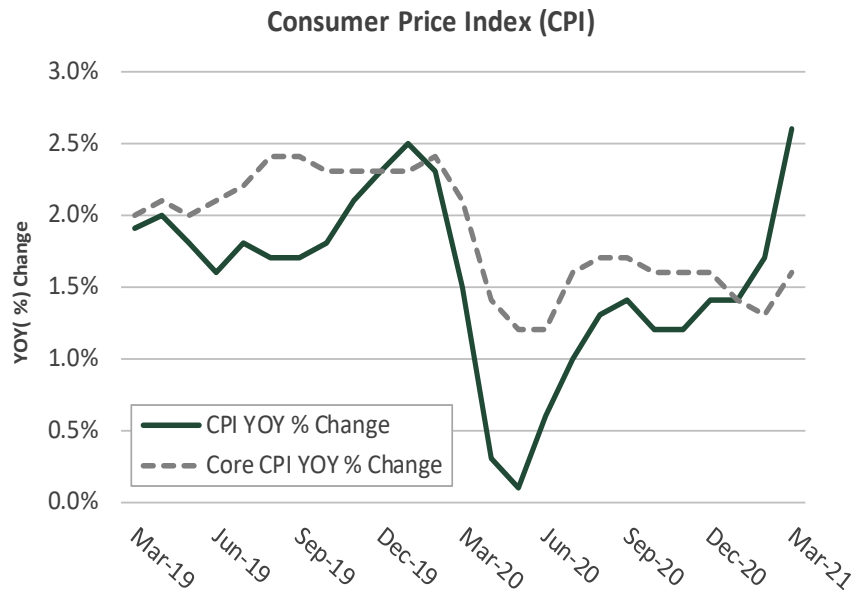
Initial Claims For Unemployment January 29, 2021 - April 30, 2021



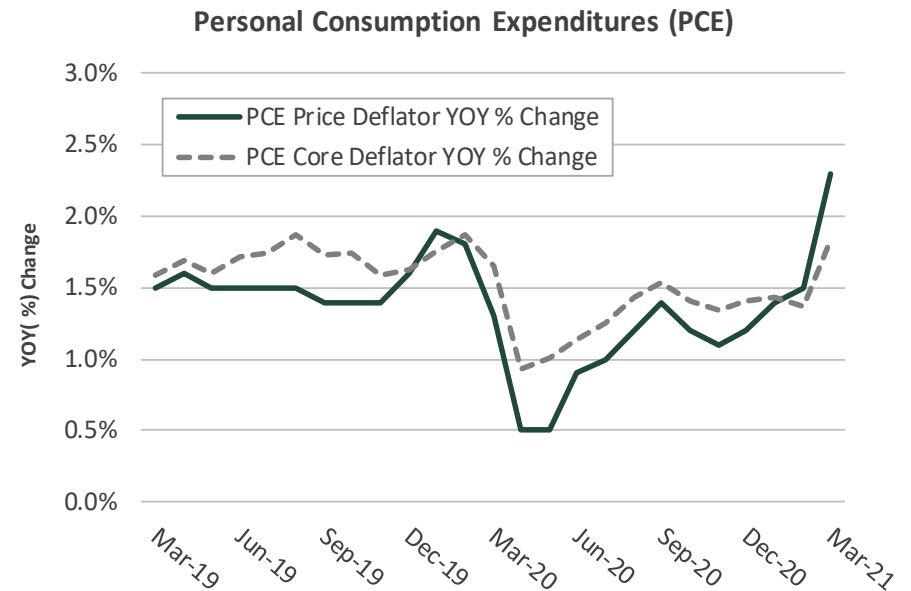
Source: US Department of Labor

In the most recent week, the number of initial jobless claims declined to 498,000 versus 590,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) was fairly stable at 3.690 million versus 3.653 million in the prior week. Although continuing jobless claims are much lower than the peak of nearly 25 million last May, they remained above the 2019 (pre-pandemic) average of 1.7 million.

# Inflation



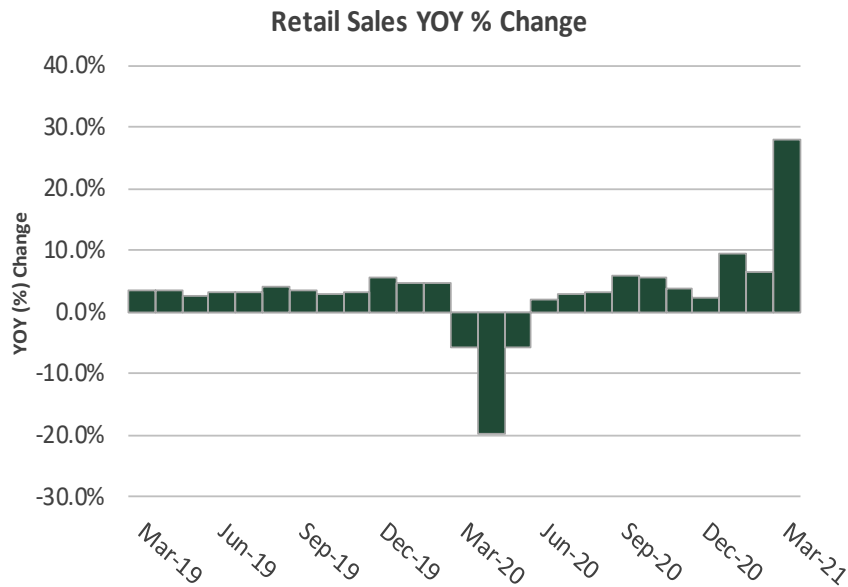
Source: US Department of Labor



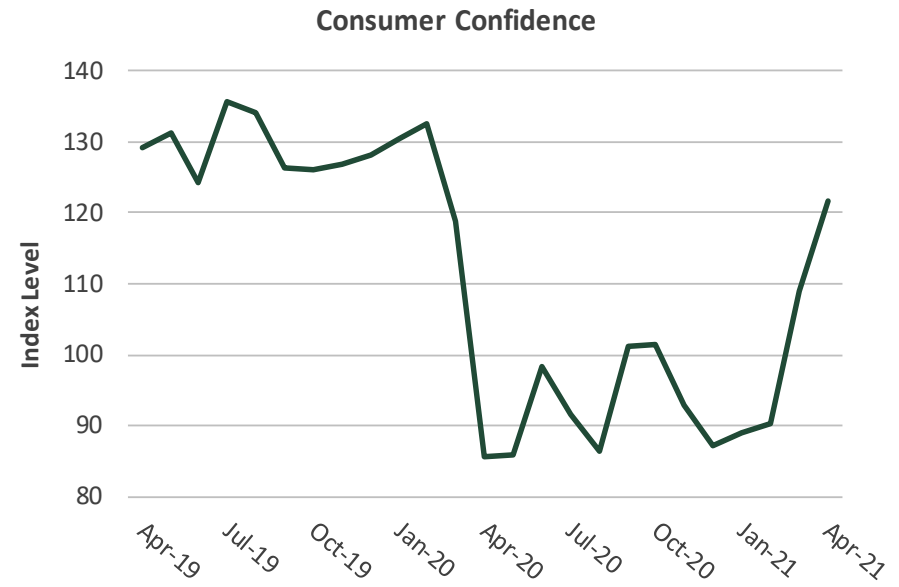
Source: US Department of Commerce

The Consumer Price Index (CPI) was up 2.6% year-over-year in March, versus up 1.7% year-over-year in February. The increase in March was driven by higher energy prices and the base effects of deflationary pressures in the initial stage of the pandemic last year. Core CPI (CPI less food and energy) was up just 1.6% year-over-year in March, versus up 1.3% in February. The Personal Consumption Expenditures (PCE) index was up 2.3% year-over-year in March, versus up 1.5% year-over-year in February. Core PCE, which is the Fed's primary inflation gauge, was up 1.8% year-over-year in March, versus up 1.4% year-over-year in February. Although inflation rates ticked higher in March, core inflation remains below the Fed's longer-run 2.0% target. Over the near-term, the Fed expects "base effects" (i.e., comparing current prices to prices at the early stage of the pandemic when prices were under pressure) will add about 1.0% to headline inflation and 0.7% to core inflation readings. The base effects are expected to dissipate in a few months. Bottlenecks and supply chain disruptions are likely to add to inflation in the near-term as well.

# Consumer



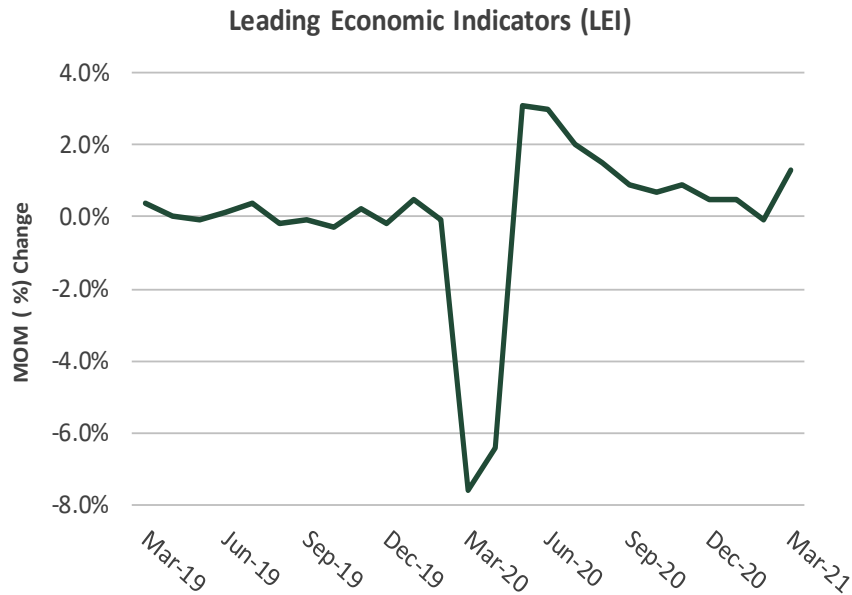
Source: US Department of Commerce



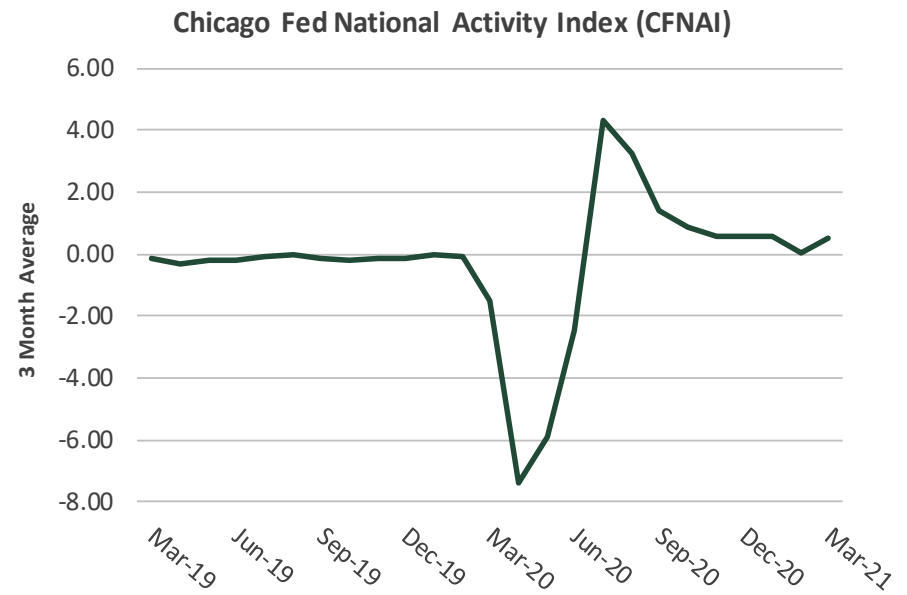
Source: The Conference Board

On a year-over-year basis, retail sales were up 27.7% in March versus up 6.7% in February. On a month-over-month basis, retail sales were even stronger than expected in March, surging 9.8%, following a 2.7% decline in February. The March increase was likely fueled by federal stimulus checks which were delivered early in the month. Pent-up demand, following severe winter weather in February, likely also helped drive March sales. The increase was broad-based across all major categories in March, with particular strength in sporting goods, hobby, instrument & book stores, clothing & accessories, and motor vehicle & parts. The Consumer Confidence index jumped to 121.7 in April from 109.0 in March, which bodes well for consumer spending results for April as well.

# Economic Activity



Source: The Conference Board

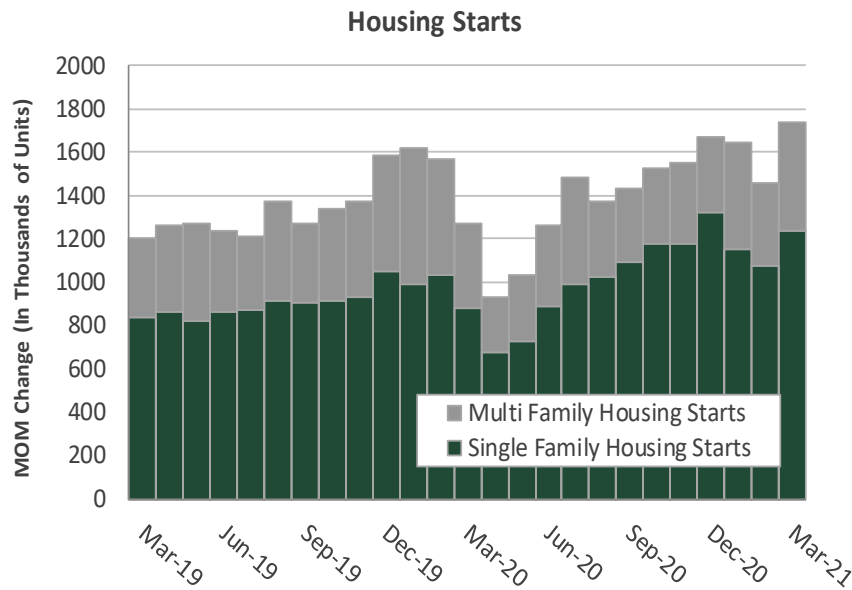


Source: Federal Reserve Bank of Chicago

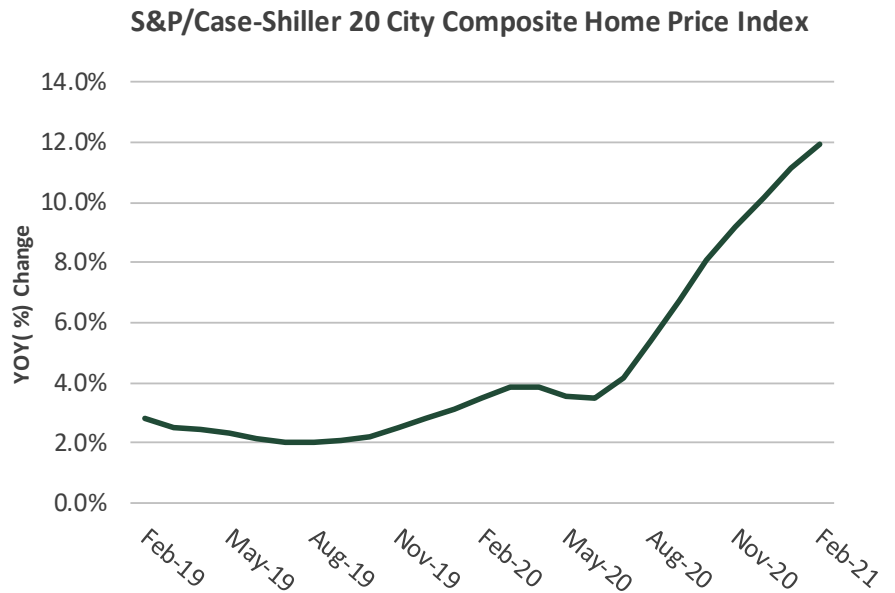
The Conference Board's Leading Economic Index (LEI) jumped 1.3% month-over-month in March (much higher than the 0.6% consensus forecast), following a 0.1% decline in February. On a year-over-year basis, the LEI was up 7.9% in March versus down 1.5% in February. This is the first time the index has been positive on a year-over-year basis since the pandemic started, as comparisons have eased. According to the Conference Board, the index suggests that economic momentum is increasing in the near-term, with widespread gains across all ten index components. Meanwhile, the Chicago Fed National Activity Index (CFNAI) increased to +1.71 in March (well ahead of the 0.58 consensus forecast) from -1.20 in February. On a 3-month moving average basis, the CFNAI jumped to +0.54 in March from 0.07 in February, pointing to above-trend economic growth.



# Housing



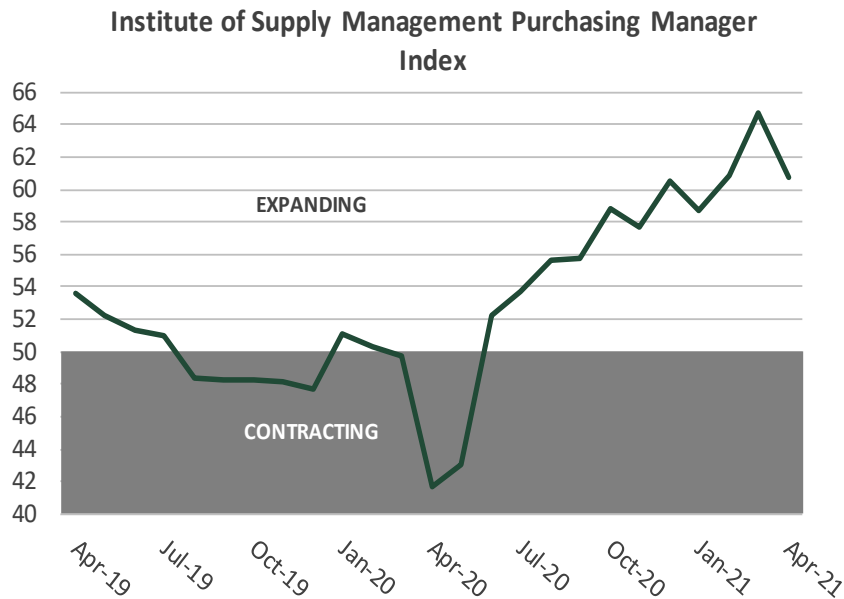
Source: US Department of Commerce



Source: S&P

Total housing starts were stronger than expected in March, up 19.4% to an annual pace of 1,739,000. Single-family starts rose 15.3% in March and multi-family starts were up 30.8%. On a year-over-year basis, housing starts were up 37.0% in March. Permits were also stronger than expected in March, up 2.7% to an annualized rate of 1,766,000. According to the Case-Shiller 20-City home price index, home prices were up 11.9% year-over-year in February versus up 11.1% year-over-year in January. Low inventory and strong demand continues to put upward pressure on home prices.

# Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

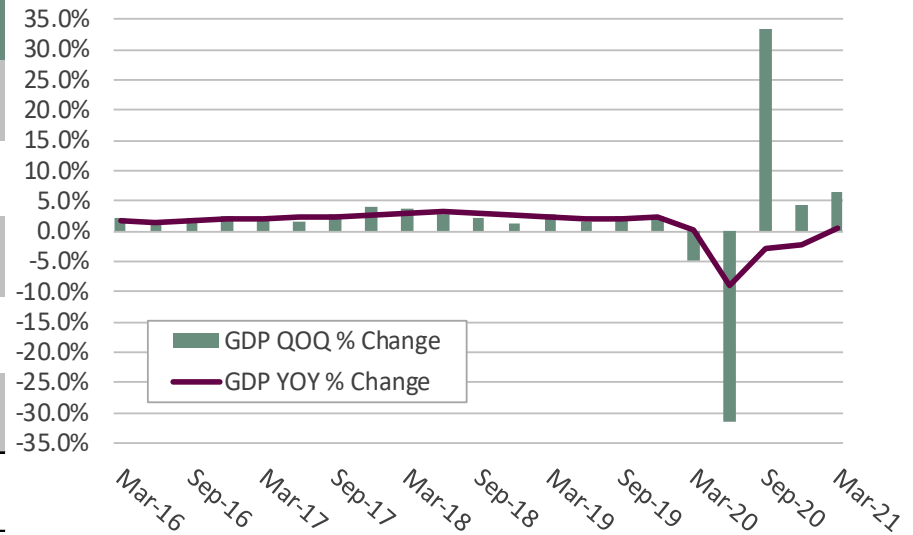
The Institute for Supply Management (ISM) manufacturing index declined to 60.7 in April from 64.7 in March. Although the index declined, the results remain strong as readings above 50.0 are indicative of expansion in the manufacturing sector. We believe a weaker US dollar has been supportive of the US manufacturing sector during the pandemic. The Industrial Production index was up 1.0% year-over-year in March, versus down 4.8% in February. On a month-over-month basis, the Industrial Production index increased 1.4% in March, following a 2.6% decline in February. The March rebound was likely driven in part by weather. Capacity Utilization increased to 74.4% in March from 73.4% in February but remains well below the long-run average of 79.8%.

# Gross Domestic Product (GDP)

Components of GDP	6/20	9/20	12/20	3/21
Personal Consumption Expenditures	-24.0%	25.4%	1.6%	7.0%
Gross Private Domestic Investment	-8.8%	12.0%	4.4%	-0.9%
Net Exports and Imports	0.6%	-3.2%	-1.5%	-0.9%
Federal Government Expenditures	1.2%	-0.4%	-0.1%	0.9%
State and Local (Consumption and Gross Investment)	-0.4%	-0.4%	-0.1%	0.2%
<b>Total</b>	<b>-31.4%</b>	<b>33.4%</b>	<b>4.3%</b>	<b>6.4%</b>

Source: US Department of Commerce

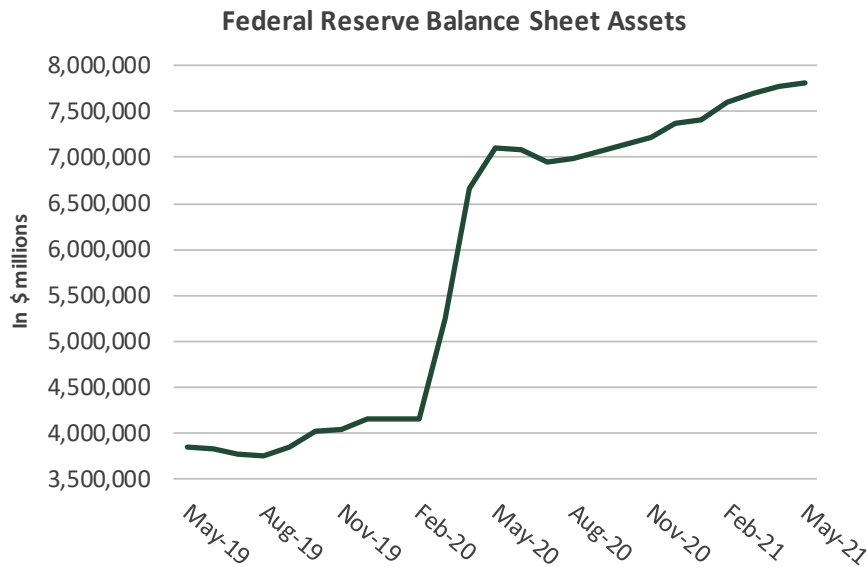
Gross Domestic Product (GDP)



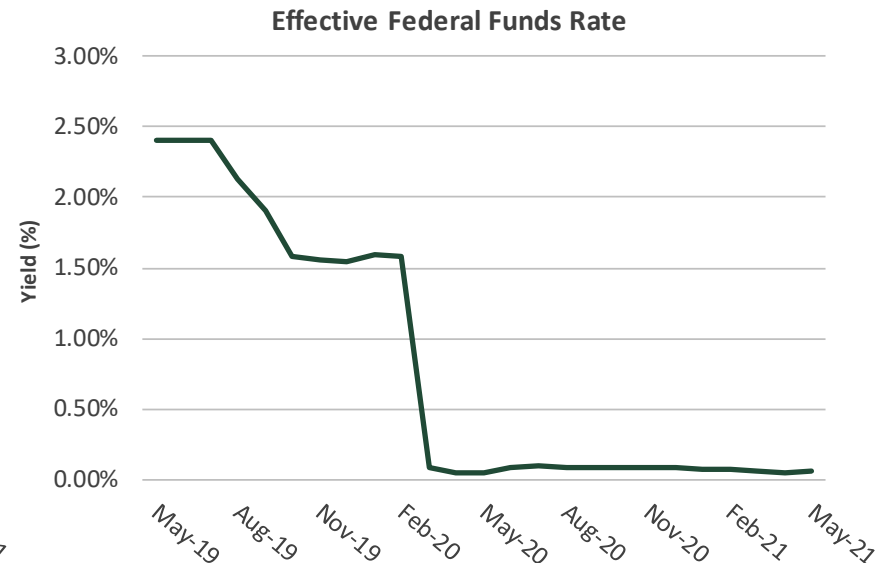
Source: US Department of Commerce

US economic growth accelerated in the first quarter. According to the advance estimate, real US gross domestic product (GDP) grew at an annualized rate of 6.4% in the first quarter (slightly below the upwardly revised 6.7% consensus estimate), following 4.3% growth in the fourth quarter of 2020. Economic growth is expected to accelerate even further in the current quarter to an annualized rate of 8.1%. The consensus forecast for full year 2021 US gross domestic product growth is 6.3%, following a 3.5% decline in 2020.

# Federal Reserve



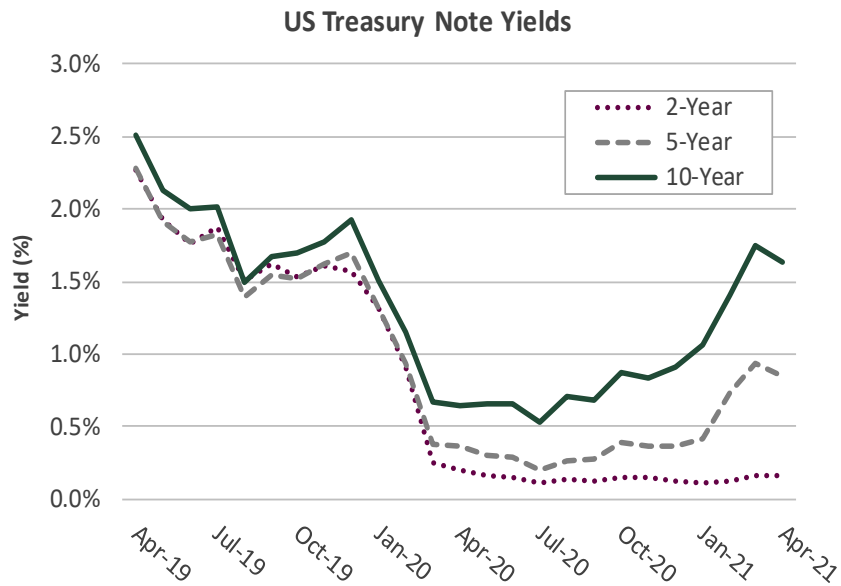
Source: Federal Reserve



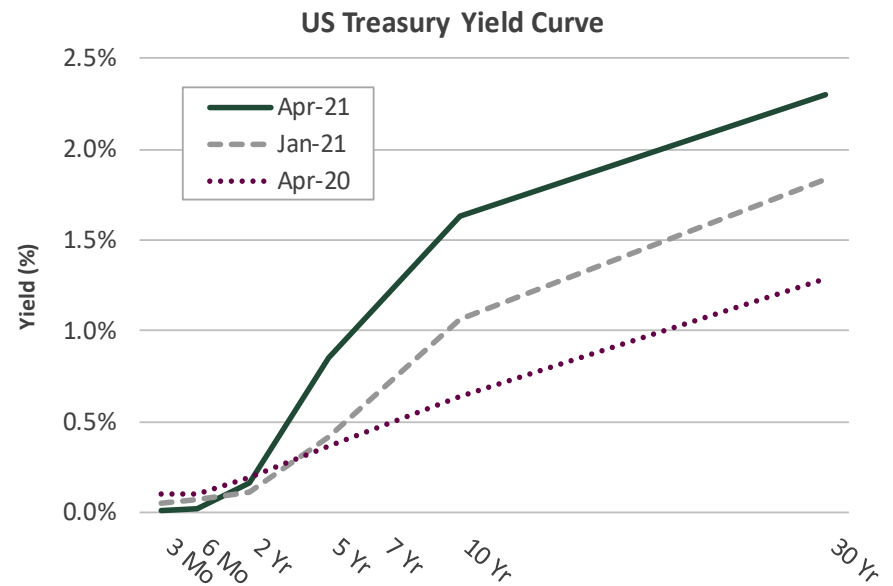
Source: Bloomberg

Last year, the Fed took a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed lowered the fed funds target rate to a range of 0.0%-0.25% and continues to purchase Treasury and agency mortgage-backed securities to support smooth market functioning. Last year, policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility. The Fed also established the Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, Term Asset-Backed Securities Loan Facility, Paycheck Protection Program Liquidity Facility, Main Street Lending Facility, and Municipal Liquidity Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Notably, many of the Fed's lending facilities expired at the end of 2020, including the Fed's corporate credit, asset-backed securities, municipal lending, and Main Street Lending programs.

# Bond Yields



Source: Bloomberg



Source: Bloomberg

The treasury yield curve is much steeper relative to this time last year. The 3-month T-bill yield is about eight basis points lower, and the 2-year Treasury yield is about four basis points lower, while the 10-Year Treasury yield is about 99 basis points higher, year-over-year, as of April month-end. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero until at least 2023. We believe longer-term rates still have room to move higher this year.

## Section 3 | Disclosures



# Disclosures



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Fixed income investments are subject to interest, credit and market risk. Interest risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally must pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Information Item 6.a.  
Miscellaneous

Operations Committee Members



# Florida College System Risk Management Consortium

## OPERATIONS COMMITTEE MEMBERS

VOTING MEMBERS	
<b>Term Dates: Start: 06/01/20 End: 05/31/22</b>	
<b>Dr. John Holdnak, Chair</b> President Gulf Coast State College O: 850-872-3800 C: 850-832-2306 E: jholdnak@gulfcoast.edu	<b>John Grosskopf, Vice Chair</b> President North Florida College O: 850-973-1601 C: 850-973-7350 E: grosskopfj@nfc.edu
<b>Term Dates: Start: 02/01/19 End: 01/31/22</b>	
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<b>Term Dates: Start: 02/01/21 End: 01/31/24</b>	
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