



**Minutes of the Meeting
of the Benefits Committee and Board of the
Fire and Police Retiree Health Care Fund, San Antonio
October 9, 2025**

PRESENT: Frank Gutierrez, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Steve Carse, Fire Department Representative;
Doug Berry, Fire Department Representative; and
Jason Sanchez, Police Department Representative.

ABSENT: Councilperson Jalen McKee-Rodriguez, City of San Antonio;
Councilperson Misty Spears, City of San Antonio; and
Mayor Gina Jones, City of San Antonio.

OTHERS PRESENT: James Bounds, Executive Director, and Cecilia Puga, Retiree Health Care Fund
Frank Burney, Martin & Drought, P.C.

At 10:05 a.m., Chair Despres called the meeting to order. The roll was called, and a quorum was declared present.

EXECUTIVE

SESSION: The Board went into Executive Session at 10:20 a.m. to discuss legal issues regarding benefits. The Executive Session adjourned at 12:00 p.m.

**MEMBERS
TO BE**

HEARD: None.

**ACTION
ITEMS:**

1. Web-TPA Contract: Representatives from Foster & Foster briefed the Board on the proposed changes to the Web-TPA contract. Rate is \$18.74 in 2027. Ms. Puga presented recommendations to renew and amend the contract for three years at fixed rate per year. She also presented other changes to the proposed contract relating to access to medical/claim information and drug review. Foster & Foster recommended these changes as well.

Upon motion by Trustee Sanchez and second by Trustee Depres, the revised Web-TPA contract was unanimously approved by the Board.

2. Aetna Contract: Ms. Puga and Foster & Foster reviewed the Aetna contract for stop loss coverage. Renewal of the coverage will increase by approximately 5% over current premiums.

Upon motion by Trustee Sanchez and second by Trustee Lutton, the stop-loss insurance purchase was unanimously approved by the Board (without off-shore forum).

3. Restated Plan Document: Ms. Puga advised the Board of changes over the last year to the Plan Document, which will be incorporated into the document for 2026.

Upon motion by Trustee Lutton and second by Trustee Carse, the restated Plan Document was unanimously approved by the Board.

4. Children's Rates for 2026: Mr. Bounds advised the Board of proposed changes to the Children's Rates for 2026. Current premiums are \$350, and current cost is approximately \$380 per month. There are 183 children participating. He recommends raising the rates to \$425 per month per family to cover increased costs and build adequate reserve.

Upon motion by Trustee Sanchez and second by Trustee Despres, the Children's Rate for 2026 at \$425 was approved by the Board (Trustee Berry and Trustee Carse voting no).

5. COBRA Rate for CY 2026: Mr. Bounds provided recommendation for COBRA rate for CY 2026 at \$841.42 for the approximately 4 persons under COBRA.

Upon motion by Trustee Lutton and second by Trustee Despres, the increase in COBRA Rate for CY2026 was unanimously approved by the Board.

6. Next Meeting: Tentative meeting is scheduled for October 17 at 1:30 p.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Sanchez and second by Trustee Carse that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 12:05 p.m.

Enclosures

- Agenda
- COBRA Rates
- Web-TPA Pricing
- Aetna Stop Loss

CERTIFIED AGENDA OF CLOSED MEETING

HEALTH FUND

I, DOUG BERRY, THE PRESIDING OFFICER OF HEALTH FUND, CERTIFY THAT THIS DOCUMENT ACCURATELY REFLECTS ALL SUBJECTS CONSIDERED IN AN EXECUTIVE SESSION OF THE BENEFITS COMMITTEE AND BOARD MEETING CONDUCTED ON OCTOBER 9, 2025.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session October 9, 2025 at 10:20 a.m."
2. SUBJECT MATTER OF EACH DELIBERATION:
 - Discussions with attorney relating to his or her advice on legal matters related to any matter in which the duty of the attorney to Health Fund under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act; and
 - Discussions regarding contract negotiations, benefits, and legal issues with counsel.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on October 9, 2025 at 12:00 p.m."

Presiding Officer

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AGENDA

**BENEFITS COMMITTEE MEETING/MEETING OF THE BOARD
FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO
TO BE HELD AT 11603 W. COKER LOOP, SUITE 210, SAN ANTONIO, TX 78216**

Thursday, October 9, 2025 – 10:00 a.m.

1. Call to Order:
2. EXECUTIVE SESSION (Discussion only – Closed to Public):
The Board of Trustees may close the meeting to the public at any time and hold an Executive Session pursuant to the Texas Open Meetings Act, Chapter 551.071 of the Texas Government Code. Such Act provides for Executive Session on any matter to be considered during the meeting as it relates to consultation with attorneys, real property, personnel, and other matters.
 - a. **Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of the Health Fund in Negotiations with a Third Party;**
 - b. **Government Code §551.071 - All Matters Where the Health Fund Seeks the Advice of its Attorney as Privileged Communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas;**
 - c. **Pending or Contemplated Litigation; and**
 - d. **Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Health Fund.**
3. Discussion and possible action on extension of WEB-TPA Contract.
4. Discussion and possible action on Aetna Contract
5. Reinstatement of Plan Document.
6. Set Children's Rates for 2026
7. Set COBRA Rates for 2026
8. Adjournment.

NOTE:

Speakers may address the Board regarding any specific Agenda Item, on any matter related to Fund business, or on matters that are within the scope of the authority and legislative functions of the Board. Speakers shall be given the opportunity to speak at the beginning of the meeting during "Public Comment" for up to 3 minutes (6 minutes if translation is needed). Persons wishing to address the Board are requested to sign the sign-up sheet located in the Reception Area of the Fund Office at least 5 minutes prior to the Board Meeting and list the Agenda Item to be addressed. Enumerated agenda items are assigned numbers for ease of reference only and will not necessarily be considered by the Board in that particular order. For those who need assistance due to physical challenges, accommodation can be arranged by contacting James Bounds at 210-494-6500.

Employee & Spouse				
	No. Retirees	Medical Plan Paid	Rx Plan Paid	Average Cost
Oct-24	4852	\$3,278,090.83	\$2,235,636	\$1,136.38
Nov-24	4869	\$1,513,850.32	\$2,117,185	\$745.75
Dec-24	4866	\$951,321.82	\$2,391,398	\$686.95
Jan-25	4877	\$3,171,192.72	\$1,570,184	\$972.19
Feb-25	4895	\$1,545,114.78	\$1,563,421	\$635.04
Mar-25	4916	\$1,767,240.64	\$1,962,366	\$758.67
Apr-25	4931	\$1,730,286.59	\$1,762,472	\$708.33
May-25	4941	\$1,492,979.36	\$1,894,560	\$685.60
Jun-25	4954	\$2,674,382.38	\$1,430,964	\$828.69
Jul-25	4968	\$2,763,244.19	\$1,838,947	\$926.37
Aug-25	4962	\$3,348,752.93	\$1,766,823	\$1,030.95
Sep-25	4974	\$3,010,729.13	\$1,866,723	\$980.59
Total	59005	\$27,247,185.69	\$22,400,676.66	\$841.42

Date: 8/12/2025
 Case Name: Fire and Police Retiree Health Care Fund
 Policy Year: 1/1/2026-12/31/2026
 Underwriter: Berg, Andrew J



Firm Quote

STOP LOSS QUOTE SPECIFICATIONS

	Option 1
Number of Employees Covered Under Stop Loss:	3,030
Number of Single Covered Under Stop Loss:	1,060
Number of Family Covered Under Stop Loss:	1,970
Producer Compensation:	0.0%
Terminal Liability Option:	No Extension (N/A)

INDIVIDUAL STOP LOSS COVERAGE

Reimbursement Basis**:	12/12
Individual Coinsurance %:	100%
Individual Stop Loss Amount:	\$1,000,000
Composite Individual Premium Rate (PEPM)**:	\$5.84
Annualized Individual Premium:	\$212,342
Prior Carrier Run-In Limit:	\$0
Aggregating Specific Stop Loss Amount:	\$650,000
Individual Specific Stop Loss Limits (Laserling):	TBD
Individual Lifetime Stop Loss Payment Amount:	\$2,000,000
Covered Benefits That Apply to Individual Stop Loss:	Medical

FINANCIAL SUMMARY

Combined Premium (PEPM) Composite Rate: **	\$5.84
Total Stop Loss Premium:	\$212,342

** ISL Premium rates are billed on a composite basis.

Please refer to the Stop Loss Caveat document for detailed quote contingencies and assumptions.



STOP LOSS CAVEAT INFORMATION

Policy Period: 12 months - 01/01/2026 - 12/31/2026

We are pleased to provide you with our proposal for Stop Loss insurance. The information contained in this proposal is confidential and should not be shared with anyone other than your broker or benefits plan consultant. This proposal reflects certain assumptions and should be used in conjunction with your rate sheet.

- * Administrative services will be provided by WebTPA, Preferred Provider Network must be Aetna Signature Administrators' PPO. Aetna Life Insurance Company will be the sole Stop Loss carrier.
- * Eligibility will apply to active U.S. employees and their dependents who meet eligibility requirements in accordance with the plan. Eligibility will also apply to COBRA continuees and those who are entitled to extended benefits under the plan following termination. Employees working less than 20 hours per week on a regularly scheduled basis, Seasonal, Board of Directors, Consultants, and Contracted employees will be excluded from stop loss unless Aetna Underwriting specifically agrees to include these participants.
- * This quotation assumes that all retired employees and their dependents, both under and over age 65 will be included under the Stop Loss. All retirees age 65 and older who are eligible for Medicare are assumed to have Medicare Primary. Members who may not be eligible for Medicare Part A will be eligible for primary coverage under the medical plan and stop loss for care not covered by Medicare. This quote assumes and requires retirees who have Medicare as the Primary coverage to also be covered under the Individual stop loss and pay any associated stop loss premiums.
- * 12/12 policy - There is no run-in, which is reflected in the discounted rate provided. Aetna will not provide Stop Loss coverage for dates of service prior to the effective date.
- * SIC Code - Your business and/or Standard Industrial Code is 6371.
- * Stop Loss Situs Requirements - This quote assumes that the customer will be situated in TX and the group meets Aetna's and TX's requirements for that situs.
- * Plan Design - The plan design is assumed to be consistent with those illustrated in the inforce plan design(s).
- * HRA / HSA Plan Design - Employer contributions to any HRA or HSA Plan will not accumulate towards Stop Loss.
- * Pre-Certification - All plans must include pre-certification of services.
- * Contribution - Employer contribution is no less than 75 percent of employee's cost or 50 percent of the total plan cost.
- * Participation - Aetna requires no less than 50% of eligible employees to enroll in the plan.
- * Financial Condition - Employer is a legitimate business and is financially sound.
- * Common Ownership - There must be common ownership among all participating divisions for this quote to remain valid.
- * Transplant Network - We have assumed the Aetna Institutes of Excellence (IOE) Transplant Network will be considered preferred for all Aetna Network participants, (Aetna participating facilities are not always in IOE and should not be considered preferred for transplants, unless they are in IOE). Please consider revising the underlying plan language with the Aetna preferred transplant language to appropriately steer participants to IOE facilities and better ensure all of the benefits of IOE usage are realized. Your Client Manager can provide a sample of the preferred transplant/ IOE language. If a Fully Insured transplant benefit is in place, transplant benefits will be excluded from Stop Loss, please provide a copy of the transplant policy for underwriting review and approval.

- * Specialty Pharmaceuticals Program - Any rebates for specialty pharmaceuticals that are attributable to the medical benefits portion (rather than the pharmacy benefits portion) of a Member's Plan may be collected and retained by Aetna as compensation for its efforts in coordinating access to the preferred specialty pharmaceuticals program.
- * Minimum Enrollment - Aetna Stop Loss requires a minimum enrollment of 51 employees in order to issue our policy. If this requirement is not met after the Stop Loss policy is issued, the policy will terminate as of the first day of the first month following the month in which the underwriting requirement was not met.
- * Aggregating Specific Stop Loss Amount- Is included in our quote. This is a customer-level, dollar deductible that applies to the total of all individual Stop Loss claims. Aetna's Individual Stop Loss liability does not begin until ISL claims have exceeded this customer-level deductible. The Aggregating Specific Stop Loss Amount may be met by one claim or by the sum of many claims. Under the Aggregate Stop Loss Coverage, eligible claims expenses used to satisfy the Aggregating Specific Stop Loss Amount will not apply toward the Aggregate Stop Loss Amount.
- * This proposal is FIRM. Our offer will be valid until October 10, 2025. If written acceptance of the proposal is not received by this date we will reserve the right to request updated claim data and adjust our offer accordingly. Please circle/initial accepted option and send back to us as your confirmation.
- * This is an illustrative quote and should not be considered as a final competitive bid pursuant to Texas Ins.Code Ann. § 1550.052. This quote remains open for discussion and is subject to change.
- * The rate sheet and caveat documents list the expectations and assumptions of our quote. The following is a list of additional factors that may impact our Stop Loss premiums. We reserve the right to change our rates and factors, at any time during the policy year, effective on the date the change occurred, in the following circumstances:
 - * We assumed the following for purposes of our proposal:
Network enrollment assumptions would be as follows:
Aetna Signature Administrators PPO (3,030 lives)
Out of Area (0 Lives)
Eligible retirees age 65 years and over will be Medicare primary and the the Insured's plan will be secondary. The percentage of COBRA participants would be no more than 5%. Please refer to the rate page for total enrollment and single/family splits. Your plan design remains unchanged.
 - * We reserve the right to change our rates or terms if: If a different network or no network is used, we will have to re-rate this proposal based upon the new network. The actual percentage of enrolled retirees under/over age 65 and their dependents who are under age 65 exceeds the assumed percentage. Eligible retirees age 65 and older are not Medicare Primary. The actual COBRA participants exceeds the assumed percentage. The actual Total or Single/Family split changes from the assumed split by 15%. Any plan design changes from the proposed benefits must be approved by Aetna. Note: there must be at least a 20% coinsurance differential between Participating Provider and Non-Participating Provider benefits. The actual plan participation split changes from the assumed split by 15%.
- * We have reviewed claim data through August 2025.
- * Please note all participants excluded from the stop loss policy will remain excluded from the stop loss policy for all subsequent policy renewal years. Should an excluded participant return to the plan, Aetna will reconsider the individual for inclusion under the stop loss policy at the policy ISL deductible or at a higher ISL deductible (laser) once we receive acceptable disclosure information for that individual. For privacy reasons, we have not included names in this document.

Individual claims above the selected Individual Stop Loss level (Lasers) will not count toward satisfaction of the Aggregate Attachment Point. The claims of an individual who has been excluded from Individual coverage will not accumulate toward the Aggregate Attachment Point.
Lasered participants will not be eligible for the 20% specific stop loss step down deductible for use of an IOE transplant facility.
- * We will require a complete, signed plan document (or multiple documents if multiple plans exist) within 90 days of the effective date in order to issue a policy.

- * Please note: Aetna has in place procedures for handling "protected health information" that are compliant with HIPAA. Disclosure of the requested information is permitted by HIPAA. If you need additional information or require a confidentiality agreement, please contact your account representative.
- * We reserve the right to amend or withdraw our proposal to reflect the underwriting impact of any additional information we obtain or in the event you are unable to provide us any of the information we need to fully underwrite the risk.

THE
FUND

RETIREE HEALTH
& WELLNESS

SAN ANTONIO FIRE AND POLICE

*RENEWAL & HEALTH CENTER
/ CLINIC DISCUSSION*



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

October 9, 2025

Agenda

- Renewals
 - Reinsurance / Stop Loss Renewal
 - Administration/ Disease Management/ Network/ Reporting Renewals
- Health Centers / Clinics Discussion
 - Health Center / Clinic Utilization – MDC, PCP/Specialist, and Age-Ranges
 - Health Center / Clinic Utilization – Procedure Codes
 - Evaluating the Health Center / Clinic Model: Possible Options

Reinsurance / Stop Loss Renewal

Aetna SL	2024	2025	2026
Deductible	\$1,000,000	\$1,000,000	\$1,000,000
Enrolled	2,871	2,943	3,030
Premium	\$5.29	\$5.56	\$5.84
Premium Increase %	-	5.1%	5.0%
Total Dollars	\$182,251	\$196,357	\$212,342
Enrollment %	-	2.5%	3.0%
# of Stop Loss Claims	0	0	0

- The renewal increases in 2025 and 2026 are reasonable when contrasted with a lower PEPM premium starting point, the large stop loss deductible (\$1 million), and current market conditions
 - Requested renewal increases in 2026 for reinsurance / stop loss coverage have been significantly higher than prior years
- Purchased to mitigate the risk of the Non-Medicare participants and as a requirement to access the Aetna network, reinsurance coverage may also prevent future losses attributable to the small retiree population that will never be eligible for Medicare
 - The Fund will be the primary payor for these retirees indefinitely

Administration/ Disease Management/ Network/ Reporting Renewals

Administration	Current	2026	2027	2028
Admin Fee No Teleperformance	\$18.19	\$18.54	\$18.74	\$19.80
Admin Fee With Teleperformance	N/A	\$18.44	\$18.64	\$19.70
COBRA (per mbr/month)	\$6.00	Hold	Hold	Hold
COBRA Election Notices	\$25/Notice	Hold	Hold	Hold
Case & Disease Management				
Communitas:				
Utilization Management	\$4.12	\$4.20	\$4.24	\$4.37
Care Management	\$185 per hour	Hold	Hold	Hold
Medical Rx Specialty Reviews	N/A	\$520/Review	\$520/Review	\$520/Review
Kimberton:				
Dialysis Management	As Invoiced	Hold	Hold	Hold
Claims / Reinsurance				
Payer Compass (OON Repricing)	\$4.65	Hold	Hold	Hold
LeafHealth (Medical Rx Rebates)	20% of Savings	Hold	Hold	Hold
NexClaim (subrogation)	30% of Savings	Hold	Hold	Hold
Aetna Stop Loss	\$5.56	\$5.84	TBD	TBD
Network				
Aetna Signature Administrators	\$9.62	\$10.00	Hold	Hold
Reporting				
Virgin Pulse (reporting)	\$0.25	Term	N/A	N/A
Reporting - PowerBI	N/A	\$0.25	\$0.25	\$0.25
PEPM	\$42.39	\$43.38	TBD	TBD
Annual PEPM Total	\$1,541,300	\$1,577,297		
COBRA/Care Management/Rx Review (est.)*	\$102,200	\$128,200		
Annual Total (excluding % of savings vendors)	\$1,643,500	\$1,705,497		
% Increase	-	3.8%		

*Assumes 100 COBRA participants, 500 care management hours, and 50 medical rx specialty reviews

Health Center / Clinic Utilization – MDC, PCP/Specialist, and Age-Ranges

MDC	Number of Claimants
CERTAIN INFECTIOUS AND PARASITIC DISEASES	174
CONGENITAL MALFORMATIONS, DEFORMATIONS AND CHROMOSOMAL ABNORMALITIES	8
DISEASES OF THE BLOOD AND BLOOD-FORMING ORGANS AND CERTAIN IMMUNE DISORDERS	166
DISEASES OF THE CIRCULATORY SYSTEM	826
DISEASES OF THE DIGESTIVE SYSTEM	194
DISEASES OF THE EAR AND MASTOID PROCESS	131
DISEASES OF THE EYE AND ADNEXA	49
DISEASES OF THE GENITOURINARY SYSTEM	343
DISEASES OF THE MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE	1,115
DISEASES OF THE NERVOUS SYSTEM	189
DISEASES OF THE RESPIRATORY SYSTEM	473
DISEASES OF THE SKIN AND SUBCUTANEOUS TISSUE	203
ENDOCRINE, NUTRITIONAL AND METABOLIC DISEASES	1,453
EXTERNAL CAUSES OF MORBIDITY	1
FACTORS INFLUENCING HEALTH STATUS AND CONTACT WITH HEALTH SERVICES	2,416
INJURY, POISONING AND CERTAIN OTHER CONSEQUENCES OF EXTERNAL CAUSES	205
MENTAL, BEHAVIORAL AND NEURODEVELOPMENTAL DISORDERS	291
NEOPLASMS	75
PREGNANCY, CHILDBIRTH AND THE PUERPERIUM	1
SYMPTOMS, SIGNS & ABNORMAL CLINICAL & LAB FINDINGS NOT ELSEWHERE CLASSIFIED	1,213
TOTALS	3,215

Place of Service	No. of Claimants	No. of Claims
Office	3,181	23,172
PCP	2,628	9,990
SPEC	1,788	13,182
Others	991	1,702
TOTALS	3,215	24,874

Age Range	Number of Claims	Number of Claimants
18 Years or Less	138	35
19 - 24 Years of Age	209	62
25 - 44 Years of Age	87	26
45 - 64 Years of Age	10,920	1,497
65 Years or More	13,515	1,660
TOTALS	24,869	3,215

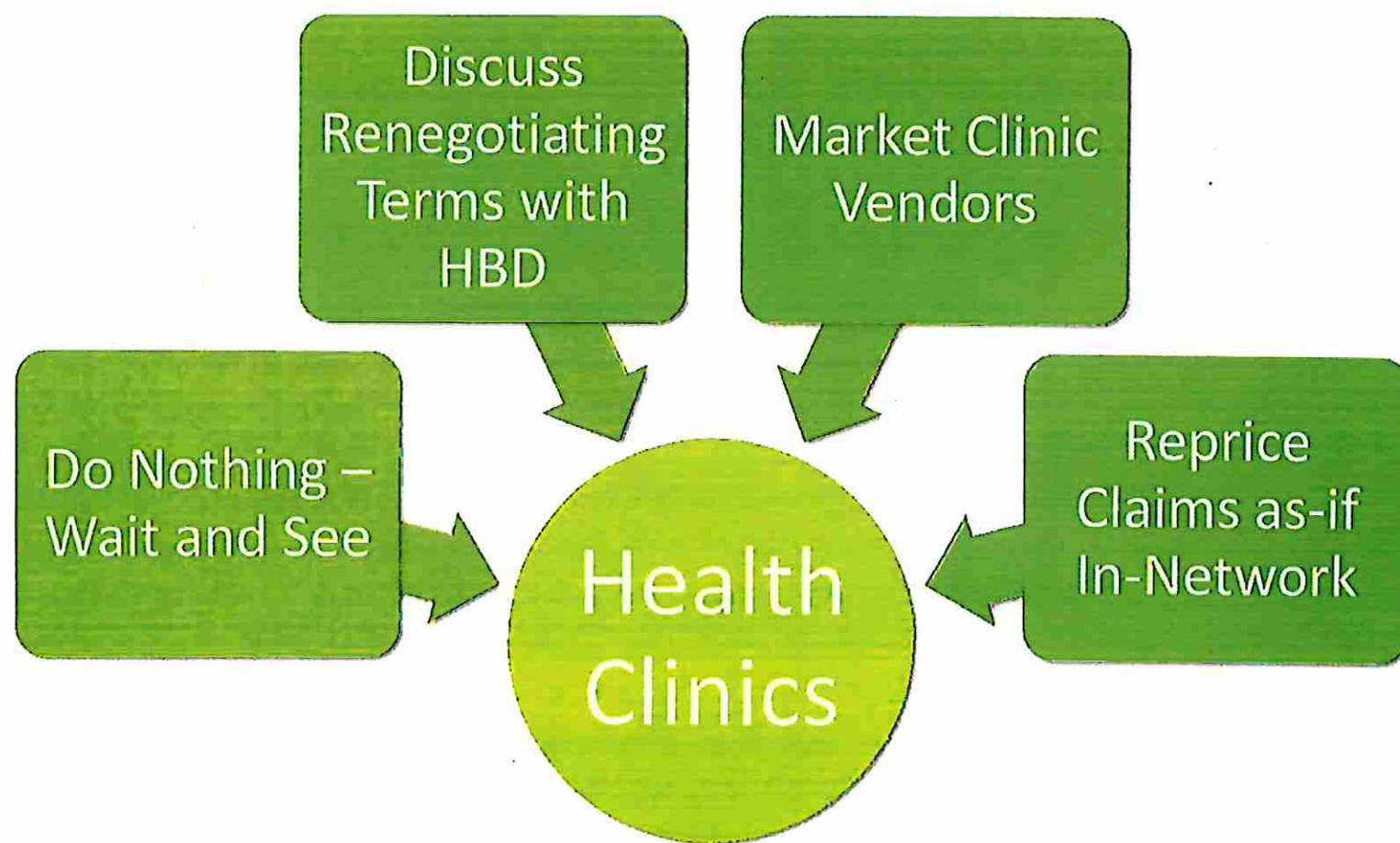
Health Center / Clinic Utilization – Procedure Codes

CPT Code	Procedure Description	Claims	Claimants	Claims per Claimant
97110	THERAPEUTIC EXERCISES	7,526	698	11
97140	MANUAL THERAPY 1/> REGIONS	4,936	546	9
99214	OFFICE O/P EST MOD 30-39 MIN	3,588	2,005	2
36415	ROUTINE VENIPUNCTURE	3,462	2,312	1
99213	OFFICE O/P EST LOW 20-29 MIN	2,663	1,611	2
97112	NEUROMUSCULAR REEDUCATION	2,641	346	8
80053	COMPREHEN METABOLIC PANEL	2,502	2,009	1
83036	GLYCOSYLATED HEMOGLOBIN TEST	2,426	1,980	1
97530	THERAPEUTIC ACTIVITIES	2,225	288	8
80061	LIPID PANEL	2,219	1,861	1
85025	COMPLETE CBC W/AUTO DIFF WBC	2,197	1,813	1
97803	MED NUTRITION INDIV SUBSEQ	2,047	190	11
84443	ASSAY THYROID STIM HORMONE	1,925	1,709	1
82306	VITAMIN D 25 HYDROXY	1,871	1,695	1
94760	MEASURE BLOOD OXYGEN LEVEL	1,726	1,243	1
82728	ASSAY OF FERRITIN	1,659	1,534	1
83525	ASSAY OF INSULIN	1,465	1,430	1
86141	C-REACTIVE PROTEIN HS	1,449	1,413	1
82172	ASSAY OF APOLIPOPROTEIN	1,415	1,395	1
83695	ASSAY OF LIPOPROTEIN(A)	1,415	1,394	1
93895	CAROTID INTIMA ATHEROMA EVAL	1,362	1,348	1
0358T	BIA WHOLE BODY	1,359	1,341	1
77080	DXA BONE DENSITY AXIAL	1,345	1,328	1
99215	OFFICE O/P EST HI 40-54 MIN	1,302	714	2
G8510	SCR DEP NEG	1,201	895	1
90471	IMMUNIZATION ADMIN	1,088	990	1
TOTALS*		24,869	3,215	8

*Procedure codes listed have +1,000 associated claims – the Totals include all procedure codes

Evaluating the Health Center / Clinic Model: Possible Options

Depending upon need/goals, there are several options available to evaluate the current Health Center / Clinic model from a financial and service perspective



Selling 2026 Childrens Rates		4Q24	1-3Q 25	Ocl-Sept	Jan-Sept				
Police	13-631	114,100.00	338,100.00	452,200.00	338,100.00	338,100.00	-	338,100.00	-
Fire	13-632	69,300.00	219,100.00	288,400.00	219,100.00	219,100.00	-	219,100.00	-
Contributions				740,600.00	742,914.76	-	742,914.76	-	742,914.76
Medical	13-811	156,431.59	390,042.37	547,073.96	390,042.37	390,042.37	-	390,042.37	-
Rx	13-812	53,096.02	225,025.36	276,121.38	225,025.36	225,025.36	-	225,025.36	-
Costs				825,195.34	820,869.78	-	820,869.78	-	820,869.78
Operating Surplus	J	67.00	106.00						
	F	67.00	106.00	(84,595.34)	(77,955.02)		(77,955.02)		(77,955.02)
	M	67.00	106.00						
	A	70.00	104.00	177	166				
Police	M	70.00	106.00	107	105				
Fire	J	72.00	107.00	70	61				
	J	72.00	112.00						
	A	71.00	109.00						
Family Count	S	72.00	111.00	183	177	177		177	
2025 Rate		69.78	107.44	350.00	350.00	350.00		350.00	
12/31/24 Surplus				7,084.32	1,296,430.62	1,296,430.62		1,296,430.62	
12/31/25 Projected Surplus			177.22	7,853.11	1,390,000.00	1,390,000.00		1,390,000.00	
Desired Reserve				7,909.60	1,400,000.00	8,474.58	1,500,000.00	9,000.00	1,593,000.00
A				4,662.12	4,637.68	4,637.68		4,637.68	
2025 cost/count					388.51	388.47	388.47	388.47	388.47
B				4,662.12	4,637.68	4,637.68		4,637.68	
2025 cost/count				28.25	28.25	310.73		573.45	
Debt + 1/2 Reserve				390.66	383.83	412.37		434.26	
C				4,662.12	4,637.68	4,637.68		4,637.68	
2025 cost/count				56.50	56.50	621.47		1,146.89	
Debt + Reserve				393.22	391.18	438.28		492.05	



with you
all the way

Member of the AICPA & TXCPA.
Registered with Public Company
Accounting Oversight Board.

October 6, 2025

James Bounds, Executive Director
The Fund
11603 W. Coker Loop, Suite 2110
San Antonio, TX 78216

Re: Health by Design Medical Group and Medici Clinical Management, LLC

To Whom It May Concern:

The purpose of this valuation is to estimate the fair market value of Health by Design Medical Group and Medici Clinical Management, LLC, collectively known as "Health by Design" (hereinafter, the "companies"), a medical clinic enterprise that was acquired in 2022 by Medici. This valuation considers both the Companies' current operational performance and its projected future expansion through 2030. This report is to be used internally for managerial purposes only, and is not intended to be used by any third party, or as an absolute determination of the value of the enterprise. ADKF relied on tax returns, management pro formas, and conversations with management to derive the value listed below.

Since its acquisition in 2022, Health by Design has demonstrated steady financial results, achieving a weighted value of \$27,000,000 as of August 31, 2025. The analysis evaluates the Companies' value under two distinct scenarios: (1) a **Current Performance Method**, which reflects the value of the business as it stands today based on its recent operating history, and (2) a **Future Growth Method**, which incorporates management's projections for expansion and increased cash flow through the opening of additional locations.

The resulting indications of value are reconciled through a weighted approach, reflecting both the likelihood of the Companies maintaining its current performance and the probability of successfully realizing its long-term growth plans.

Sincerely,

ADKF, P.C.



Dylan Boss, CPA, CVA
MAIN OFFICE:

8610 N. New Braunfels, STE 101
San Antonio, TX 78217

Phone: 210.829.1300
Fax: 210.829.4080

672 Ridge Hill Dr., STE B
New Braunfels, TX 78130

Phone: 830.387.4441

616 E. Blanco, STE 300e
Boerne, TX 78006

Phone: 830.815.1100



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ADKF

EXECUTIVE SUMMARY

with you
all the way

Member of the AICPA & TXCPA

Registered with Public Company
Accounting Oversight Board.

Purpose:	Potential Investment
Standard of Value:	Fair Market Value
Premise of Value:	Value as a going concern
Business Name:	Health by Design Medical Group and Medici Clinical Management, LLC
Business Interest Valued:	100%
Valuation Date:	August 31, 2025
Report Date:	October 6, 2025
Appraiser Name:	Dylan Boss
Appraiser Firm:	ADKF, P.C.
Conclusion of Value:	\$27,000,000

MAIN OFFICE:

8610 N. New Braunfels, STE 101
San Antonio, TX 78217

Phone: 210.829.1300
Fax: 210.829.4080

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CURRENT PERFORMANCE METHOD

The first method used for the valuation is based on the Companies' actual performance over the past three years (2022-2024), during which it generated a weighted average of approximately \$27 million in annual sales. This approach considers the sustainability of the Companies' current earnings and excludes assumptions of future expansion or growth beyond existing operations.

Using the income and market approaches as reference points, the current performance scenario yields a fair value estimate of approximately \$21,000,000. This figure represents what a willing buyer might reasonably pay for the Companies' existing operating footprint and current profitability, absent significant growth assumptions. For this valuation, a net sales multiplier of .81x and an EBITDA multiplier of 5.3x was used in line with other health clinic sales in the past based on data from Dealstats.

Health by Design Medical Group
 Estimate of Enterprise Value
 As of December 31, 2024 Financial Data

UNOFFICIAL ESTIMATE OF VALUE BASED UPON
 PRATT'S STATS INDUSTRY MULTIPLIERS
 ENTERPRISE VALUATION

	2022	2023	2024	3 Year Average	3 Year Wtg. Avg.
Gross Sales	\$ 21,671	\$ 27,022	\$ 28,816	\$ 25,836	\$ 27,027
Cost of Good Sold	-	-	-	-	-
Gross Profit	\$ 21,671	\$ 27,022	28,816	\$ 25,836	\$ 27,027
Net Income (Loss) per Books:	\$ 763	\$ 2,379	\$ 2,224	\$ 1,789	\$ 2,032
Additions:					
Depreciation (Book)	1,219	1,654	1,795	1,556	1,652
Amortization (Book)	-	-	-	-	-
Interest Expense	-	-	-	-	-
Charitable Contributions	-	-	-	-	-
Unrealized (Gains)/Losses	-	-	-	-	-
Government Grants/Loans	-	-	-	-	-
Rent	-	-	-	-	-
Owner's Salaries	-	-	-	-	-
Total Add Backs	1,219	1,654	1,795	1,556	1,652
Adjusted EBITDA	\$ 1,982	\$ 4,033	\$ 4,019	\$ 3,345	\$ 3,684

Estimate of Value - Based on 3 Year Weighted Average:

	Health by Design	Multiplier	Estimate of Value
NAICS Code:			
SIC Code:			
GICS Code:			
MVIC/Net Sales	\$ 27,027	0.810	\$ 21,892
MVIC/EBITDA*	3,684	5.300	19,526
Average FMV of above two estimates - enterprise value			\$ 20,709.04

VALUATION RECONCILIATION

While the DCF -based future growth scenario presents significant upside potential, it also comes with risk due to multi-site expansion and other regulatory factors affecting the healthcare sector. Conversely, the current performance method reflects a more stable and observable baseline value derived from existing operations and historical results. To reconcile the two methods, a probability-weighted approach was applied:

Method	Indicated Value	Weight	Weighted Value
Current Performance Method	20,709	75%	15,532
Future Growth (DCF) Method	45,935	25%	11,484
Total Weighted Value			<u>27,016</u>

This weighting reflects management's ongoing success in maintaining existing operations while conservatively recognizing the realization of the planned growth strategy at this stage. The final value represents the balanced view between Health by Design's proven performance and its future potential.

CONCLUSION

Based on the analyses described above and subject to the stated assumptions and limitations, it is our opinion that the fair market value of Health by Design Medical Group and Medici Clinical Management, LLC as of August 31, 2025, is reasonably estimated at \$27 million dollars.

This conclusion reflects the combination of Health by Design's historical operating performance and its forecasted expansion potential, adjusted for risk and market conditions prevailing as of the valuation date.