REACH
CYBER CHARTER SCHOOL
Reach your potential

2027 Renewal Proposal Summary

Historical

Reach implemented fully insured benefits through Capital Blue Cross in 2021 and moved to self-funded in 2023. Over the course of this time Reach has absorbed close to 4.3M and staff received their first increase to premiums in 2026, covering approximately 143K.

Current Position

The 2026 estimated gross premium spend for Reach was $13.4M and we are running at approximately 104% with an estimated medical renewal increase between 16 – 20%, while dental and vision remain on a rate hold.

Recommendations

After meeting with Jane and the HR Committee we recommend remaining with are incumbent carrier, Capital Blue Cross, and shift medical contributions to a True Buy Up, where Reach will fund 90% of QHDHP (Qualified High-Deductible Health Plan).

- The chart below reflects this recommendation based on an estimated 16% increase, which translates to ~ 2.2M total increase, where Reach absorbs ~ 1.7M and Staff ~ 568K.
- Final rates will be available in October, where the contribution structure would remain the same at Reach funding 90% of the QHDHP.

Recommendation Buy Up

Enrolled	Rates		Monthly Contributions					EE Increase		ER Increase	
229	QHDHP	Monthly	Employee	Employer	ER HSA	EE %	ER %	EE Dif	%	ER Dif	%
83	Single	$1,041.19	$104.12	$937.07	$62.50	9.43%	90.57%	$14.67	16%	$134.64	17%
28	EE/Child(ren)	$1,936.70	$193.67	$1,743.03	$125.00	9.39%	90.61%	$26.15	16%	$251.58	17%
25	EE/Spouse	$2,334.69	$233.47	$2,101.22	$125.00	9.49%	90.51%	$31.25	15%	$303.55	17%
93	Family	$3,031.18	$303.12	$2,728.06	$125.00	9.60%	90.40%	$40.18	15%	$394.50	17%
182	PPO 1000	Monthly	Employee	Employer	N/A	EE %	ER %	EE Dif	%	ER Dif	%
65	Single	$1,136.47	$199.40	$937.07		17.55%	82.45%	$66.91	51%	$96.06	11%
35	EE/Child(ren)	$2,113.93	$370.90	$1,743.03		17.55%	82.45%	$121.73	49%	$181.41	12%
17	EE/Spouse	$2,548.36	$447.14	$2,101.22		17.55%	82.45%	$110.70	33%	$254.74	14%
65	Family	$3,308.58	$580.52	$2,728.06		17.55%	82.45%	$142.68	33%	$331.78	14%
194	PPO 500	Monthly	Employee	Employer	N/A	EE %	ER %	EE Dif	%	ER Dif	%
78	Single	$1,175.84	$238.77	$937.07		20.31%	79.69%	$74.90	46%	$93.72	11%
42	EE/Child(ren)	$2,187.12	$444.09	$1,743.03		20.30%	79.70%	$135.74	44%	$177.90	11%
19	EE/Spouse	$2,636.57	$535.35	$2,101.22		20.30%	79.70%	$106.91	25%	$271.18	15%
55	Family	$3,423.14	$695.08	$2,728.06		20.31%	79.69%	$137.41	25%	$353.48	15%
238	No Plan										
843			Total Annual Premium								

Summary

Current Annual Cost	$13,737,639	
Est. Trend Projection Annual Cost	$15,990,370	
Difference:	$2,252,732	16.4%
Current ER Annual Cost	$11,845,473	
Est. Trend Projection Annual Cost	$13,529,816	
Difference:	$1,684,343	14.2%
Current EE Annual Cost	$1,892,166	
Est. Trend Projection Annual Cost	$2,460,554	
Difference:	$568,389	30.0%

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Recommendations (Continued)

Conversation with Jane and the HR Committee also include recommending shifts in our ancillary coverage to include:

- Moving LTD to Voluntary vs Employer Paid (~$55K savings)
- Adjusting Life/ADD coverage to 50K for staff and 1X salary for C-Suite vs 2X salary for All (~$51K savings)
- Adjusting STD & Maternity Coverage (~$353K savings), where the chart below reflects STD moving to 60% first 8 weeks vs 100% and Maternity to 8 weeks paid vs 12 weeks paid.

<table>
<tr><th>Wk1</th><th>Wk2</th><th>Wk3</th><th>Wk4</th><th>Wk5</th><th>Wk6</th><th>Wk7</th><th>Wk8</th><th>Wk9</th><th>Wk10</th><th>Wk11</th><th>Wk12</th></tr>
<tr><td colspan="12">Family Medical Leave Act (FMLA) 12 Wks Unpaid Job Protection</td></tr>
<tr><td>STD
Elimin. Pd
PTO/Unpaid</td><td colspan="7">STD 60%</td><td colspan="4">STD 50%</td></tr>
<tr><td colspan="8">Maternity Leave - 100%
Combination of STD and MAT leave codes</td><td colspan="4">FMLA PTO/Unpaid</td></tr>
</table>

Reasoning

The True Buy Up recommendation provides a consistent contribution strategy and staff messaging, while bringing contributions in alignment with the market; both which were expressed desires from the Finance Committee during last year's conversations, This will also create staff to become more engaged with their plan elections and by providing multiple plans gives staff the opportunity to change plans if desired.

Ancillary recommendations optimize our benefit portfolio while aligning ourselves with the market and allow us to remain competitive.

Under Review

Prescription drug conversations continue with Capital Blue Cross and outside PBM (Pharmacy Benefit Managers) where a closed formulary is under consideration as well as possibility carving out specialty drugs. This has the potential of saving between $900K – $2M is Rx claims. These changes are behind the scenes and would impact on our claims experience and potential decrease 2028's renewal increase.

Future Consideration

Conversation with the HR Committee continues as we explore a Wellness Surcharge. This program would include staff completing simple health related requirements during a defined period and if not completed a monthly surcharge would be applied the following benefit plan year. This drives staff to get preventive checkups and adopt healthier habits, which catches medical issues early and ultimately reduces the organization's long-term healthcare claims.