

Board Information Memo

SUBJECT: 2026 Employee Benefits Renewal – Medical, Dental, Vision, and Ancillary Plans

Category (Contract Approval, Policy, Personnel, General Approval, etc.):

General Approval

Date:

April 10, 2026

Reason for Board Consideration (Fiscal Policy, State Requirement, etc.):

Annual benefits renewal and approval of employer-sponsored insurance plans

Decision Type (Action Item, Information Only, etc.):

Action Item

Background (Brief Summary of Background Information):

The organization conducts an annual review of its employee benefits program, including medical, dental, vision, and ancillary coverages. For the 2026 plan year, current carriers include Cigna (medical), Kaiser (medical), and MetLife (dental, vision, life, and disability). The renewal process included a comprehensive market evaluation, plan comparisons, and negotiations with current and alternative carriers to assess cost, plan design, and funding options.

Rationale (Why is this important and why is this coming to the Board):

The 2026 renewal reflects a significant increase in healthcare costs, largely driven by high-cost claims and overall utilization trends. Multiple strategies were evaluated, including plan design changes, alternative carriers, and self-funded models.

Maintaining the negotiated renewal with current carriers preserves continuity of care, avoids disruption to employees, and ensures predictable plan administration during a period of cost volatility. This approach also allows the organization to stabilize costs in the short term while continuing to evaluate longer-term funding strategies, including potential transition to a self-funded model.

Evidence of Due Diligence:

- Conducted a full market review, including Cigna, Blue Shield, and self-funded (Pareto) options with recommendations with Pareto

- Evaluated multiple plan design scenarios, including cost-sharing adjustments and formulary changes
 - Negotiated with current carriers to reduce initial renewal increases
 - Reviewed financial impact, employee disruption, and long-term sustainability considerations
 - Renegotiated broker compensation to align with market standards, improving transparency and cost efficiency
 - Determined that maintaining the negotiated renewal provides the most stable and predictable short-term solution while preserving future flexibility
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Fiscal Impact:

The negotiated renewal results in a total estimated annual cost of approximately \$9,751,188, compared to the current annual cost of \$7,919,798, representing a total increase of \$1,831,390 (23.1%).

The initial renewal projection was approximately \$10.23 million (29.2% increase); through negotiations with carriers and cost management efforts, the organization reduced the projected increase by approximately \$482,068.

This increase is primarily driven by higher medical claims experience and overall healthcare cost trends. While significant, the selected approach avoids additional financial risk and employee disruption associated with alternative options.

Potential Conflicts of Interest:

N/A

Recommendation/Board Action (if applicable):

Approval of the 2026 employee benefits renewal as negotiated with current carriers.

Prepared/Recommended/Approved By: Zana Kidd Recommended by: Richard Savage