



City of San Luis

Employee Health Benefits

Renewal & Funding Projection

Plan Year: 2026 - 2027

May 6, 2026

Executive Summary

- Implementation of an online benefits enrollment portal, at no cost to the City, **improving efficiency and modernizing the employee experience**
- Completed a formal, year long process, for identifying needs, understanding the market, and evaluating the vendor relationships:
- Employee Benefits Trust **approved 90Degree as the new Third-party Administrator (TPA) using the Aetna PPO network, while retaining Siarmed for the Mexico network**
- **Current stop loss renewal was very high (>45%)** with an increase in liability of \$1M (aka Laser or No Insurance Coverage) for a specific member. This resulted in an expected funding increase of 30.7%
- **CBIZ marketed the stop loss policy** to 7 other stop loss vendors. 5 carriers declined to quote due to concerns about high-cost claims. The most favorable offer was submitted by Symetra (an “A” rated carrier) resulting in an overall **expected** funding increase of 25.04% with an \$800k laser.
- Employers commonly **choose to fund less than the total laser liability**, i.e., remove all or part of liability from the funding projection to reduce the total funding increase. **Funding only 60% of the laser liability (\$305k) would result in an expected funding increase of 17%**
- **Dental plan:** 10% projected funding increase; **Ancillary plans** (EAP, Teladoc, Vision, Life/Disability Insurance): Rates remain flat with increase of \$833 for Teladoc
- The City is evaluating the financial impact of the TPA transition and is proposing an increase to City and employee premiums.

Strategic Goals

Improve benefit administration process:

- Efficiency
- Employee Experience

Vendor stabilization and management:

- Service Excellence
- Flexibility
- Cost and Quality Control

Medical, RX and Stop Loss Projection (26/27)

Method and Caveats – Based on Moving Stop Loss to Symetra

Forecasted (2026/27) Rate Action		
Expected	25.04%	Based on Expected Liability
High End	30.04%	
Very High End	35.76%	Based on Maximum Liability
Low End	20.04%	
Used	25.04%	

Assumptions

Analyzed most recent 24 months of paid claims to establish baseline and projected claims

Removed claims over ISL, stop loss reimbursements, rebates and recoveries

Applied confirmed administrative fees and illustrative stop loss renewal

Trend claims forward using national trends for Medical (9.3%) and Pharmacy (11%)

Includes enhancement of nutritional counseling (Mexico)

Did not include fixed cost or claims cost margin / fluctuation (2-3% corridor)

Symetra Firm Stop Loss Renewal

- Individual Stop Loss: \$153.16 to \$211.78 (38.3%) for annual estimate of \$884,411 (\$244,815 increase)
- Aggregate Stop Loss: \$4.72 to \$6.12 (29.7%) for annual estimate of \$25,557 (\$5,846 increase)

Assumptions

- **\$125k Individual Stop Loss (ISL)**
- \$50k Aggregating Specific Ded
- 125% Aggregate Ded
- 24/12 Contract Basis
- No New Laser and 50% rate cap
- **\$800k laser on high-cost claimant**

Considerations

	Exp Claims for \$800,000 Laser	Exp Claims for \$000,000 Laser	Exp Claims for \$000,000 Laser	Total Laser Load (amount above ISL + agg spec)	Rate Action (all else equal)
100%	\$800,000	\$0	\$0	\$625,000	25.0%
90%	\$720,000	\$0	\$0	\$545,000	23.2%
80%	\$640,000	\$0	\$0	\$465,000	21.3%
70%	\$560,000	\$0	\$0	\$385,000	19.4%
60%	\$480,000	\$0	\$0	\$305,000	17.6%

Medical, RX and Stop Loss Renewal (26/27)

Fixed Cost Comparison

Fixed Cost				
	2025/26	2026/27	% Change	Annual
Subscribers	348	348	N/A	N/A
Third Party Administration Fee	\$25.00	\$27.00	8%	\$112,752
Network Access Fee (Aetna)	\$22.50	\$21.75	-3.30%	\$90,828
Network Access Fee (Siarmed)	\$3.00	\$3.00	0.00%	\$12,528
Utilization Management	\$3.16	\$0.00	N/A	\$0
Annual Implementation Fee	\$0.48	\$0.72	50.00%	\$3,000
Case Management	\$4.40	\$4.45	1.30%	\$18,600
Personify Run out Administration	N/A	\$8.33	N/A	\$34,800
Wellness program - Healthiest You	\$11.80	\$12.00	1.70%	\$50,112
ACA Reporting Fee	N/A	\$3.00	N/A	\$12,528
EAP (Preferred)	\$1.91	\$1.91	0.00%	\$7,976
COBRA Admin	\$2.00	\$2.50	25.00%	\$10,440
Individual Stop Loss	\$153.16	\$211.78	38.3%	\$884,411
Aggregate Stop Loss	\$4.72	\$6.12	29.7%	\$25,557
Total Fixed Costs	\$232.13	\$305.57	31.6%	\$1,276,060
PCORI Fee	\$0.60	\$0.67	10.70%	\$2,780
Total Fixed Costs and ACA	\$232.73	\$306.24	31.6%	\$1,278,840

Fixed Cost Increase: \$306,960

Funding Projection and Rates (26/27)

Based Upon Expected Liability (25.04%)

2025 Funding Rates at Expected Liability			
	PPO 750	EPO Mexico	Total
Employee Only	\$798.39	\$290.93	\$701.73
Employee + Spouse	\$1,656.81	\$603.66	\$1,105.16
Employee + Child(ren)	\$1,656.81	\$603.66	\$1,446.18
Employee + Family	\$2,534.45	\$881.00	\$1,707.73
PEPM:	\$1,191.22	\$561.60	\$1,022.96
Monthly Funding	\$303,762	\$52,229	\$355,991
Annual Funding	\$3,645,144	\$626,745	\$4,271,889

Enrollment		
PPO 750	EPO Mexico	Total
170	40	210
10	11	21
44	11	55
31	31	62
255	93	348

2026 Funding Rates at Expected Liability			
	PPO 750	EPO Mexico	Total
Employee Only	\$998.33	\$363.79	\$877.46
Employee + Spouse	\$2,071.72	\$754.83	\$1,381.92
Employee + Child(ren)	\$2,071.72	\$754.83	\$1,808.34
Employee + Family	\$3,169.14	\$1,101.63	\$2,135.39
% Change	25.04%	25.04%	25.04%
PEPM:	\$1,489.54	\$702.24	\$1,279.14
Monthly Funding	\$379,832	\$65,308	\$445,140
Annual Funding	\$4,557,984	\$783,699	\$5,341,683

\$1,069,794 annual increase

Dental Funding Projections (26/27)*

2025 Funding Rates at Expected

	<u>Dental Plan</u>	<u>Dental Mexico</u>
Employee Only	\$36.47	\$16.28
Employee + Spouse	\$72.93	\$32.54
Employee + Child(ren)	\$72.93	\$32.54
Employee + Family	\$91.03	\$43.39

Percent Change in Funding Rates

Current PEPM Funding*:	\$41.99		<u>Dental Claims</u>	\$41.68	<u>Dental Admin</u>	\$4.50
Projected PEPM Funding:	\$46.18	=====>				
Calculated Rate Action:	9.99%	Dx Breakdown	90.3%		9.7%	
Recommended Rate Action:	9.99%					

Total 2025 Funding

	<u>Dental Plan</u>	<u>Dental Mexico</u>
Employee Only	\$6,565	\$521
Employee + Spouse	\$729	\$716
Employee + Child(ren)	\$1,896	\$748
Employee + Family	<u>\$2,003</u>	<u>\$1,519</u>
Total Monthly	\$11,193	\$3,504
PEPM Funding:	\$41.99	
Monthly Funding:	<u>\$14,697</u>	
Annual Funding:	<u>\$176,360</u>	

Forecasted 2026 Funding Rates

	<u>Dental Plan</u>	<u>Dental Mexico</u>	<u>Total</u>
Employee Only	\$40.11	\$17.91	
Employee + Spouse	\$80.21	\$35.79	
Employee + Child(ren)	\$80.21	\$35.79	
Employee + Family	\$100.12	\$47.72	
Renewal PEPM funding:	\$51.72	\$34.41	\$46.18
Renewal Monthly funding:	\$12,311	\$3,854	\$16,164
Renewal Annual funding:	\$147,727	\$46,246	<u>\$193,973</u>
% Change vs. Current:	9.99%	9.99%	9.99%

*Benefits enhancements: Increased annual maximum from \$1,125 to \$1,500 (Mexico), and added adult orthodontic coverage

Proposed Benefit Enhancements - 2026/27

Dental:

- Mexico Plan – Increase annual maximum from \$1,125 to \$1,500
- Consider adding adult orthodontic coverage

Nutrition Services:

- Expand coverage in Mexico plan
- Include referral requirement and visit limits
 - Total of 15 visits, per calendar year
 - Twice a month for the first 3 months
 - Once a month for the next 9 months

All enhancements are included in the CBIZ funding projections



Thank You