Webb County Commissioners Court

June 22nd, 2026

All analysis in this is subject to disclosures in the back of the presentation.

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Insurance | Risk Management | Consulting

Gallagher Scope of Services

Wellbeing & Engagement

- Multi-year planning
- Sustainability modeling
- Benchmarking
- Evaluate emerging trends
- Active and retiree plan management

Strategy & Design

- Multi-year planning
- Sustainability modeling
- Benchmarking
- Evaluate emerging trends

Communication & Education

- Calendar
- Multi-media deliverables
- OE design support

Compliance

- Attorneys to assist with questions
- Monthly Directions newsletter
- HCR updates
- Technical bulletins
- CE-approved webinars
- Quarterly seminars

Reporting & Analytics

- Annual service calendar
- Vendor management and marketing
- Project management
- Benefits administration coordination

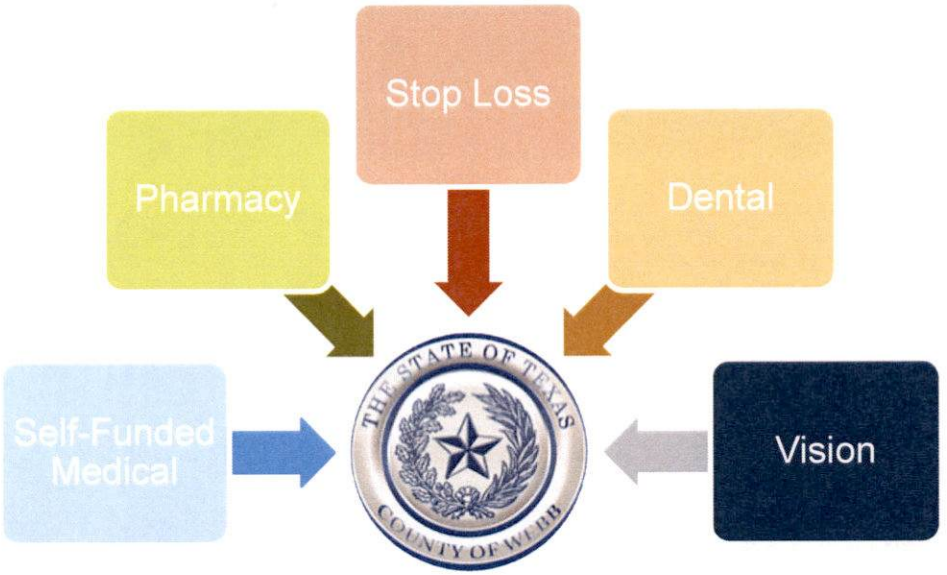
- Underwriting and financial forecasting
- Monthly plan performance reporting
- Utilization and analytics review

Public Entity Differentiators

How we are different

1. Data Warehousing featuring custom reports, utilization benchmarks, and cohorts for various Public Entities.
2. Various Rx Collectives.
3. Customized Public Sector and Industry specific benchmarking with annual reports, plan design information, and contribution comparisons.
4. Public Sector specific RFP practices to address the unique needs of public entities and their employees.
5. Dual advantage: the depth that comes with specialization and the breadth that comes with the resources Gallagher provides.

RFP Scope of Work



RFP Analysis Methodology:

- ✓ Questionnaire: Overall review of carriers and services offered is completed to evaluate the carriers' ability to manage the County's plans and needs.
- ✓ Claims Repricing: Respondents asked to reprice 12-months of claims in their systems to provide overall costs under their suggested networks
- ✓ Fee Analysis: Administration fees are analyzed

Financial Summary

Integrated Offers

	1/1/2026 - 12/31/2026	1/1/2026 - 12/31/2026	1/1/2027 - 12/31/2027	1/1/2027 - 12/31/2027	1/1/2027 - 12/31/2027
Financial Category	Budget	Latest Estimate	Latest Projection	Projection	Projection
Scenario Description			Aetna	BCBS	UHC
Medical Trend		10.4%	10.4%	10.4%	10.4%
RX Trend		11.15%	11.15%	11.15%	11.2%
Stop Loss Deductible	$250,000	$250,000	$250,000	$250,000	$250,000
Average Subscribers	1,274	1,274	1,274	1,274	1,274
PEPM Variable Costs					
Medical & Pharmacy Cost (Net ISL)*		$1,695.47	$1,827.18	$1,827.18	$1,827.18
Network Adjustment**		$0.00	$0.00	-$43.86	$3.86
Pharmacy Rebates		-$154.48	-$164.31	-$174.60	-$150.98
Employer HSA Seed		$61.93	$61.93	$61.93	$61.93
Aetna Rx Early Termination Fee		$0.00	$0.00	$80.10	$80.10
PEPM Variable Total		**$1,602.93**	**$1,724.80**	**$1,750.75**	**$1,822.09**
PEPM Fixed Costs					
ASO Fees		$30.03	$43.75	$51.96	$20.84
Rx Performance Guarantee		$0.00	-$14.78	$0.00	$0.00
Rx Passthrough Admin Fees		$0.00	$9.71	$13.61	$9.12
NAP Capped Fee		$0.00	$4.50	$0.00	$0.00
ISL		$130.09	$180.70	$155.98	$195.96
ASL		$0.00	$0.00	$1.96	$6.88
Commission		$0.00	$10.00	$10.00	$10.00
PEPM Fixed Costs Total		**$160.12**	**$233.88**	**$233.51**	**$242.79**
PEPM Total Gross Cost	$1,569.70	$1,763.05	$1,958.68	$1,984.26	$2,064.89
Annual Total Gross Cost	$23,997,000	$26,953,000	$29,944,000	$30,335,000	$31,568,000
PEPM Employee Contributions	$111.10	$111.10	$111.10	$111.10	$111.10
Annual Employee Contributions	$1,698,000	$1,698,000	$1,698,000	$1,698,000	$1,698,000
PEPM Total Net Cost	$1,458.60	$1,651.95	$1,847.58	$1,873.16	$1,953.79
Annual Total Net Cost	$22,299,000	$25,255,000	$28,246,000	$28,637,000	$29,870,000
Annual					
Δ Change vs. 2026 Gross Budget		$2,956,000	$5,947,000	$6,338,000	$7,571,000
Δ Change vs. Latest Estimate			$2,991,000	$3,382,000	$4,615,000
PEPM					
Δ Change vs. 2026 Gross Budget		$193.35 | 12.3%	$388.99 | 24.8%	$414.57 | 26.4%	$495.19 | 31.5%
Δ Change vs. Latest Estimate			$195.63 | 11.1%	$221.21 | 12.5%	$301.84 | 17.1%

*These claims for each carrier don't include any related shared savings or IDR fees.

**The network adjustments are estimates, may vary.

UHC includes a $175,000 implementation credit year one for a 3 year contract.

HSA Employer Seed	*$947,000*	*$947,000*	*$947,000*	*$947,000*	*$947,000*
PCORI Fees (not included above)	*$9,000*	*$9,000*	*$10,000*	*$10,000*	*$10,000*

Recommendations

Medical	Pharmacy	Stop Loss	Dental	Vision
Aetna	Aetna	Aetna	Aetna	Aetna
No Employee Disruption	Integration with Medical	Integration with Medical	No Rate Increase Added a one-month fee holiday	Reduced costs for employees by 5%
Cross border care (Mexico)	Increased Pharmacy rebates Updated termination language	Claims over the Stop Loss level are covered by Aetna, not reimbursed.	Cross border care (Mexico) No Employee Disruption	4-year rate guarantee

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Appendix

Respondents

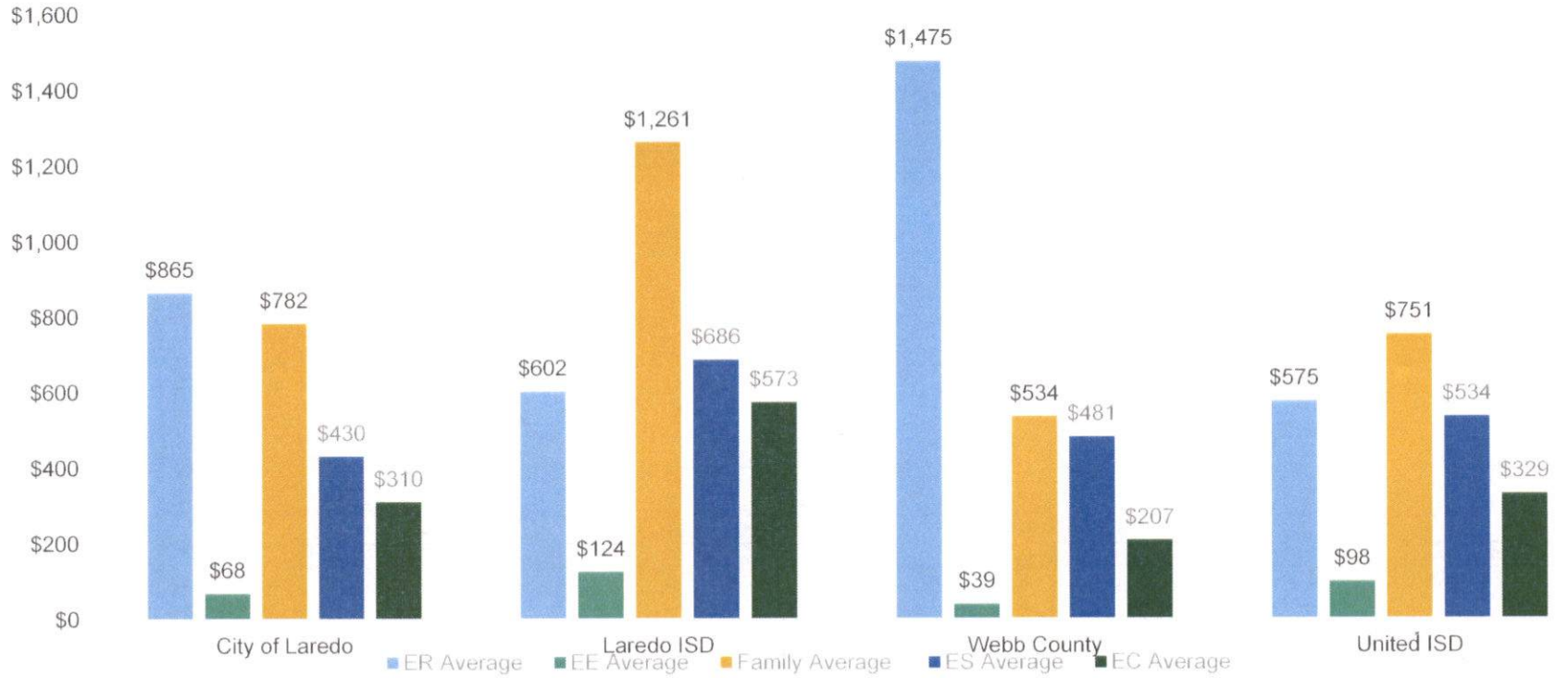
Carrier	Line of Coverage	Result	Commissions
Aetna	Medical, Pharmacy, Stop Loss, Dental, Vision	BAFO	Medical: $10.00 PEPM, Stop Loss: 10%, Dental: Net, Vision: 10%
Ameritas	Dental, Vision	Uncompetitive	-
Blue Cross Blue Shield	Medical, Pharmacy, Stop Loss, Dental, Vision	BAFO	Medical: $10.00 PEPM, , Stop Loss: 10%, Dental: Net, Vision: Net
Community Eye Care	Vision	BAFO	Vision: 10%
Curative	Fully Insured and Level Funded Medical	Uncompetitive/Did not meet proposal specifications (proposal can be found in appendix)	-
Delta Dental	Dental	BAFO	Dental: Net
EmpiRx Health	Pharmacy	Uncompetitive	-
EyeMed Vision	Vision	BAFO	Not Specified
Eyetopia	Vision	Uncompetitive	-
Laurel Insurance	Broker Services	Did not bid on any lines of coverage	-
Metropolitan Life	Dental, Vision	Uncompetitive	-
MotivHealth	Medical, Pharmacy	Did not meet proposal specifications	-
National Vision Administrators	Vision	Uncompetitive	-
RxBenefits	Pharmacy	BAFO	-
SmithRx	Pharmacy	Uncompetitive	-
Stealth	Stop Loss	Uncompetitive	-
United Healthcare Services	Medical, Pharmacy, Stop Loss, Dental, Vision	BAFO	Medical: Net, Stop Loss: 10%, Dental: Net, Vision:10%

*While Gallagher does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's, Standard & Poor's, and Weiss Ratings (The Street.com). Generally, agencies that provide ratings of Health insurers, including traditional insurance companies and other managed care organizations, reflect their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

Benchmarking

2026 Medical Benchmarking	Webb County	City of Laredo	Laredo ISD	United ISD
Carrier	Aetna	BCBS	BCBS	BCBS
# of Medical Plans	2	3	3	3
PPO/POS	1	1	2	2
HDHP/HRA/HSA	1	1	0	0
In-Network Only/EPO/HMO/ACO	0	1	1	1
Contributions				
Average Monthly Employer Contribution	$1,475.00	$856	$602.00	$575.00
Average Monthly Employee Only Contribution	$38.95	$68.34	$124.47	$195.24
Average Monthly Family Contribution	$534.19	$507.34	$1,260.58	$1075.90

Average Employer & Employee Contribution Comparison



Family average includes EE + Spouse, EE + Child, & EE + Family coverage

Benchmarking

Medical Plan – HDHP

HDHP Comparison		
DEDUCTIBLE	CDHP	HDHP
Individual	$3,500	$3,300
Family	$7,000	$6,600
OUT-OF-POCKET MAXIMUM		
Individual	$7,000	$3,300
Family	$14,000	$6,600
COINSURANCE	0%	0%
COPAYS		
PCP	30%	0%
Specialist	30%	0%
ER	30%	0%
PRESCRIPTION DRUG		
Generic	0%	0%
Preferred Brand	0%	0%
Non-Preferred Brand	0%	0%

Benchmarking

Medical Plan – Broad Network/PPO

PPO Comparison			LISD LAREDO	UNITED	United ISD	
DEDUCTIBLE	Aetna Choice POS II	PPO	Silver PPO	Platinum PPO	Silver PPO	Gold PPO Core Plus
Individual	$1,250	$1,000	$3,400	$3,500	$2,000	$1,500
Family	$2,500	$1,200	$6,800	$7,000	$4,000	$3,000
OUT-OF-POCKET MAX						
Individual	$7,000	$8,150	$3,400	$8,150	$8,150	$8,150
Family	$17,500	$16,300	$6,800	$16,300	$16,300	$16,300
COINSURANCE	20%	20%	0%	30%	30%	30%
COPAYS						
PCP	$25	$0	0%	$40	$35	$35
Specialist	$35	$60	0%	$60	$60	$45
ER	$500 Copay + 20% Coinsurance	$300 Copay + 20% Coinsurance	0%	$300 Copay + 30% Coinsurance	$500 Copay + 30% Coinsurance	$500 Copay + 30% Coinsurance
PRESCRIPTION DRUG						
Generic	$10	$15	0%	$20	$10	$10
Preferred Brand	$30	$40	0%	$40	$60	$50
Non-Preferred Brand	$60	$60	0%	$60	$105	$80

Plan Design - Current

Carrier	Aetna	
Plan Name	CDHP Plan	Base Plan
Coinsurance	100%	80%
Calendar Year Deductible (Individual/Family)	$3,500/$7,000	$1,250/$2,500
Maximum Out of Pocket Limits	$3,500/$7,000	$7,000/$17,500
Physician Office Visit Copay	0% after ded.	$20
Specialist Office Visit Copay	0% after ded.	$35
Preventive Care Services	Covered 100%	Covered 100%
Urgent Care	0% after ded.	$35
Emergency Room Visit	0% after ded.	$500 + 20% after ded.
Hospital Inpatient	0% after ded.	20% after ded.
Hospital Outpatient	0% after ded.	20% after ded.
Lab & X-Ray	0% after ded.	20% after ded.
Major Diagnostics (CT, PET, MRI, MRA & Nuclear Medicine)	0% after ded.	20% after ded.
Annual Prescription Deductible	Integrated with Medical	Integrated with Medical
Prescription Benefit - up to 30-day supply	0% after ded.	$10 / $30 / $60
Mail-order copay for 90-day supply	0% after ded.	$0 / $60 / $100
Specialty	0% after ded.	$40 / $60
Out of Network Deductible	$7,000/$14,000	$4,000 / $8,000
Out of Network Out of Pocket Limit	$30,000/$60,000	$30,000 / $60,000
Out of Network Coinsurance	70%	70%

Plan Design - Curative

Carrier	Curative								
Plan Name	EPO			PPO			PPO Max		
	In-Network Baseline Compliant	In - Network	Out of Network	In-Network Baseline Compliant	In - Network	Out of Network	In-Network Baseline Compliant	In - Network	Out of Network
Coinsurance	100%	80% Medical, 75% Pharmacy	Not Covered	100%	80% Medical, 75% Pharmacy	50%	100%	80% Medical, 75% Pharmacy	20%
Calendar Year Deductible (Individual / Family)	$0	$5,000/$10,000		$0	$5,000/$10,000	$10,000/$20,000	$0	$5,000/$10,000	$5,000/$10,000
Maximum Out of Pocket Limits: *To include copays, coinsurance any charges that apply to your deductible*	$0	$7,500/$15,000		$0	$7,500/$15,000	$15,000/$30,000	$0	$7,500/$15,000	$7,500/$15,000
Physician Office Visit Copay	$0	$25	Not Covered	$0	$25	$50	$0	$25	$50
Specialist Office Visit Copay	$0	$50		$0	$50	$100	$0	$50	$100
Urgent Care	$0	$0		$0	$0	20%	$0	$0	20%
Emergency Room Visit	$0	20%		$0	20%	20%	$0	20%	20%
Hospital Inpatient	$0	20%		$0	20%	50%	$0	20%	20%
Hospital Outpatient	$0	20%		$0	20%	50%	$0	20%	20%
Lab & X-Ray	$0	20%		$0	20%	50%	$0	20%	20%
	In-Network Baseline Compliant	In - Network	Out of Network	In-Network Baseline Compliant	In - Network	Out of Network	In-Network Baseline Compliant	In - Network	Out of Network
Annual Prescription Deductible[1]	N/A	N/A	Not Covered	N/A	N/A	N/A	N/A	N/A	N/A
Preferred Drugs	$0	$50		$0	$50	40%	$0	$50	40%
Non-preferred Brand/Generic	$50	$100		$50	$100	40%	$50	$100	40%
Non-preferred Specialty	$250	25%		$250	25%	40%	$250	25%	40%

Curative Pricing

Plan	Estimated Annual Cost
Fully Insured PPO Only	$26,989,923
Fully Insured Triple Option	$27,113,551
Level Funded Aggregate Stop Loss PPO Only	$26,650,983
Level Funded Aggregate Stop Loss + Individual Stop Loss PPO Only	$26,658,300
Level Funded Aggregate Stop Loss Triple Option	$26,672,955
Level Funded Aggregate Stop Loss + Individual Stop Loss Triple Option	$26,780,792

General Disclaimers

Coverage Disclaimer

This proposal is an outline of the coverages proposed by the carrier(s) based upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This proposal is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.

Renewal / Financial Disclaimer

This analysis is for illustrative purposes only, and is not a proposal for coverage or a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. See your policy or contact us for specific information or further details in this regard.

Legal

The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It should not be construed as, nor is it intended to provide, legal advice. Laws may be complex and subject to change. This information is based on current interpretation of the law and is not guaranteed. Questions regarding specific issues should be addressed by legal counsel who specializes in this practice area.

Thank you!

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