



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

2026 Benefits Recommendations

City of Brighton

October 14, 2025

Agenda

- 1** 2025 Recap
- 2** Medical/Pharmacy Cost Trends
- 3** Financial Update
- 4** 2026 Recommendations

2025 Recap



2025 Review

- Continued medical program with UMR/RxBenefits
 - Increased City costs by 9.4%
 - Increased employee contributions by 8%
 - Continued Regenexx program
 - Continued Zero program
- Continued dental program with Delta Dental
 - Decreased City costs by 2.3%
 - No change to employee contributions

- Continued below programs without changes to benefits, rates, or contributions:
 - Vision program with VSP
 - Life and disability program with Lincoln
 - Telehealth program with Teladoc
 - FSA program with Inspira Financial
 - EAP program with Optum
 - Accident, Hospital, and Critical Illness program with Aflac
 - Identity theft program with ID Shield
 - Pet insurance program with PetPartners

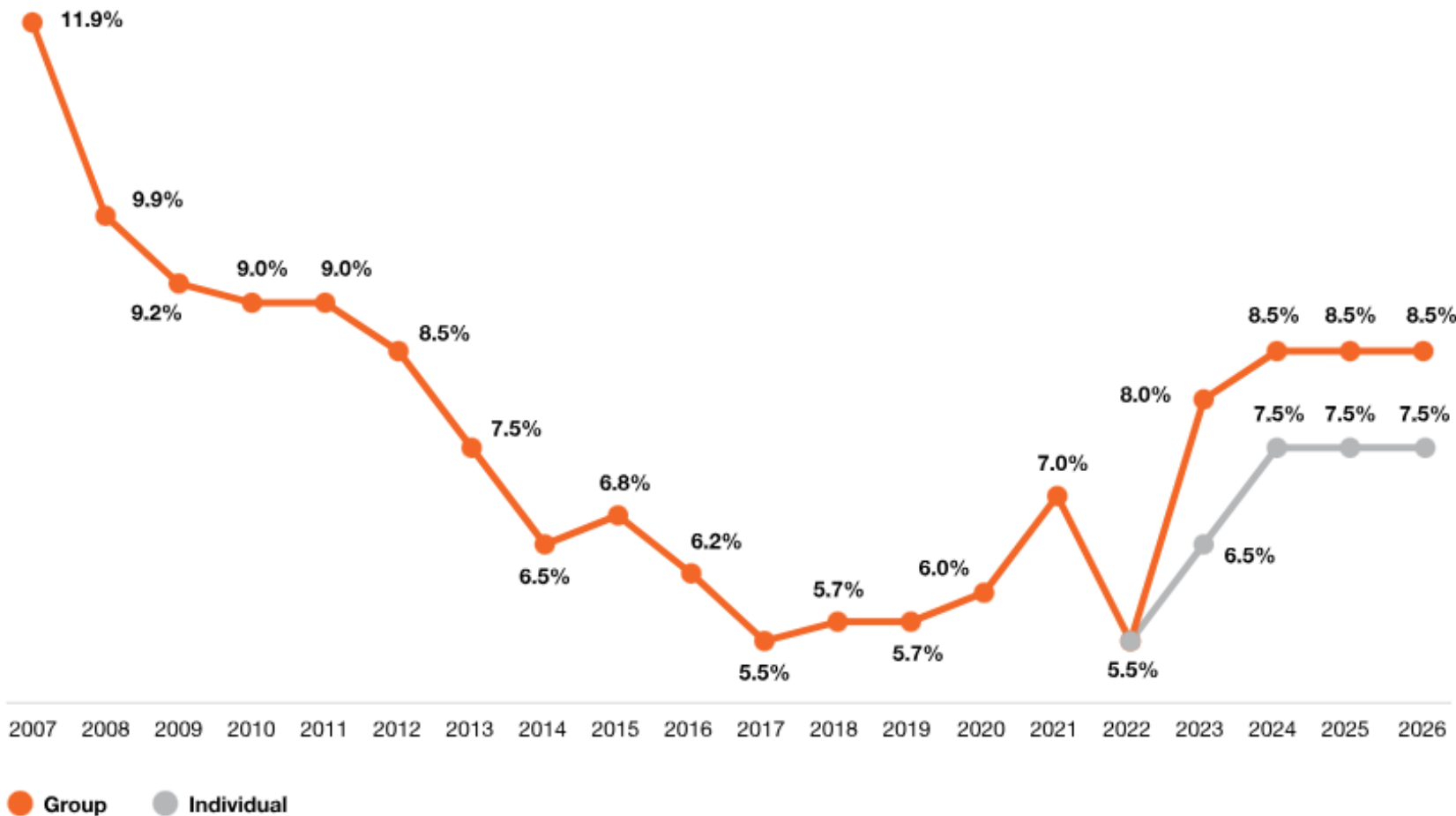
Medical & Pharmacy Cost Trends



2025/2026 Expected Cost Trends

PwC medical cost trends, 2007-2026

PwC projects medical cost trend to be 8.5% for Group and 7.5% for Individual in 2026, in line with 8.5% and 7.5% in 2025



Cost Inflators/Deflators

Inflators

- Hospital inflation & costs
- Surges in behavioral health
- Drug spending is growing with a wave of new therapeutics hitting the market

Deflators

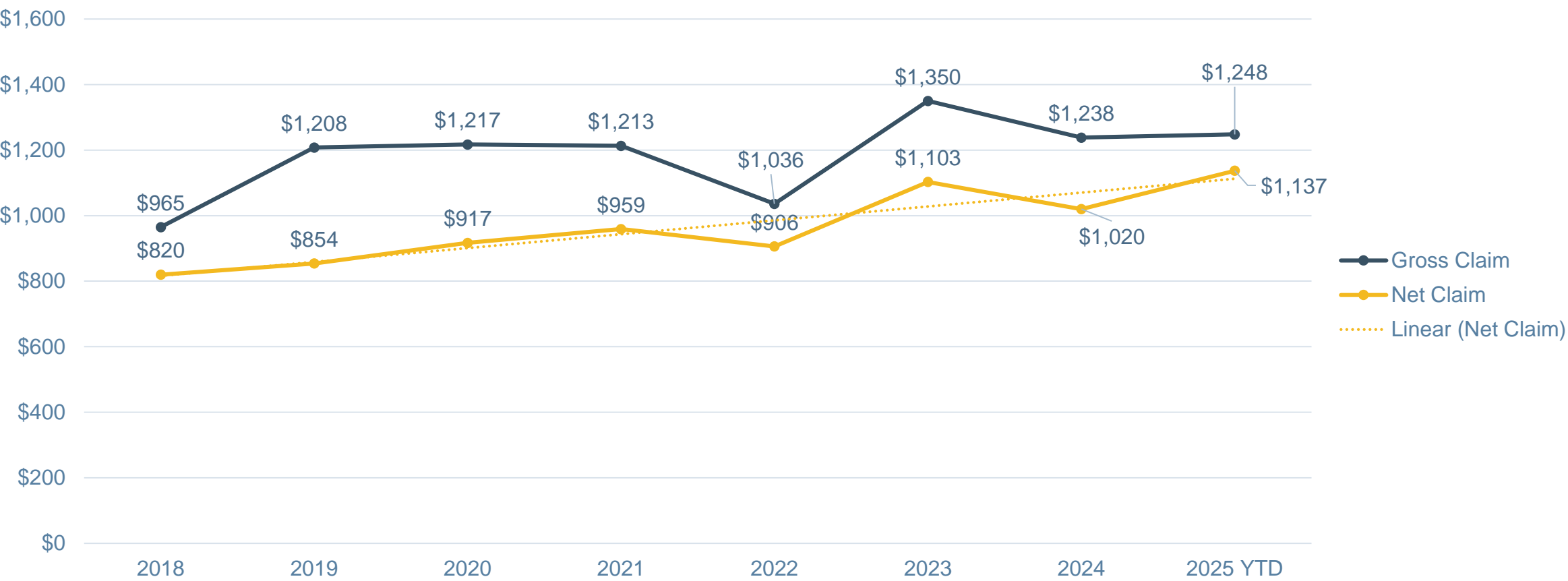
- Impact of biosimilars
- Cost of care management

Financial Update



Medical Claim History

Claims PEPM



Financial Summary

- With data through August, the medical program is running about 9% higher than in 2024 but is still 4% under budget.
 - In 2024, the medical program ran 6% lower than in 2023 and 5% under budget.
 - In 2023, the medical program ran 13% higher than in 2022 and 12% over budget.
- The medical/pharmacy program has experienced higher claims years the past three years due to a higher severity of large claimants but is starting to level out in the past year.
 - 2022 – 6 claimants, \$1.1 million paid (\$470K in stop loss reimbursements)
 - 2023 – 7 claimants, \$2.6 million paid (\$952K in stop loss reimbursements)
 - 2024 – 7 claimants, \$1.56 million paid (\$863K in stop loss reimbursements)
 - YTD 2025 – 4 claimants, \$713K paid (\$313K in stop loss reimbursements)

2026 Recommendations



Renewal Summary

Coverage	Carrier	2026 Renewal Status	Next Renewal
Medical Budget	Components Listed Below	4.3% increase	1/1/2026
TPA	UMR	Admin fee rate pass New 3-year contract from 1/1/2026-12/31/2028	1/1/2026
Pharmacy	RxBenefits CVS/Caremark	Estimated 5.17% (\$35,464) in annual pricing improvements	1/1/2026
Stop Loss	SunLife	Renew with Sunlife ISL: 9.6% ASL: 0%	1/1/2026
Medical Extras	Zero Regenexx	No changes	1/1/2026
Dental	Delta Dental	Admin fee: 4% Claims: 6.1%	1/1/2026
Vision	VSP	In rate guarantee	1/1/2027
Life/Disability	Lincoln Financial	Marketed with competitive results Lincoln renewal negotiated from 2.5% to -24.3%	1/1/2026
Telehealth	New Benefits	No changes expected	1/1/2026
Employee Assistance Program (EAP)	Optum	Marketed with competitive results Move to Curalinc for -4%	1/1/2026
FSA Administration	Inspira Financial	Rate pass	1/1/2026
COBRA	Internal	No changes	N/A
Personalized Benefits	Aflac ID Shield PetPartners	No changes	1/1/2026

2026 Recommendations

- Continue medical program with UMR/RxBenefits
 - Increase City costs by 4.9%
 - Keep employee contributions the same
 - Continue Regenexx program
 - Continue Zero program
- Continue dental program with Delta Dental
 - Increase City costs by 5%
 - Increase employee contributions by 9.5%
- Continue life and disability with Lincoln
 - Decrease rates by 24.3%
- Move employee assistance program (EAP) to Curalinc from Optum
 - Better communications and reduce City cost 4%
- Continue below programs without changes to benefits, rates, or contributions:
 - Vision program with VSP
 - Telehealth program with Teladoc
 - FSA program with Inspira Financial
 - Accident, Hospital, and Critical Illness program with Aflac
 - Identity theft program with ID Shield
 - Pet insurance program with PetPartners

Medical Renewal- No Changes to Plan Designs at 4.9%

In Network Benefits	Select CO	EPO
Deductible (Ind/Fam)	\$1,500/\$4,500	\$1,000/\$3,000
OOP Max (Ind/Fam)	\$5,000/\$10,000	\$4,000/\$8,000
Coinsurance	80%	80%
PCP/Specialist Copay	\$0/\$60	\$25/\$50
ER Copay	\$300	\$300
UC Copay	\$0	\$75
Rx Copayments	\$15/\$40/\$60	\$15/\$40/\$60

Projected Budget Rates

	Enrollment		Budget Rates	
	2025	2026	2025	2026
	Current	Renewal	Current	Renewal
Choice				
EE Only	147	147	\$874.35	\$912.04
EE + Spouse	36	36	\$1,836.11	\$1,915.26
EE + Child(ren)	30	30	\$1,503.86	\$1,568.68
EE + Family	65	65	\$2,649.23	\$2,763.42
Select Co				
EE Only	33	33	\$774.26	\$807.63
EE + Spouse	12	12	\$1,625.94	\$1,696.03
EE + Child(ren)	13	13	\$1,331.70	\$1,389.10
EE + Family	22	22	\$2,345.99	\$2,447.11
Total Funding PEPM	358	358	\$1,469.08	\$1,532.40
Total Funding Annual			\$6,311,171	\$6,583,210
% Difference				4.3%

Employee Contributions

	Enrollment		EE Contributions	
	2025	2026	2025	2026
	Current	Renewal	Current	Renewal- 0%
Choice				
EE Only	147	147	\$27.00	\$27.00
EE + Spouse	36	36	\$326.59	\$326.59
EE + Child(ren)	30	30	\$250.26	\$250.26
EE + Family	65	65	\$420.29	\$420.29
Select Co				
EE Only	33	33	\$5.40	\$5.40
EE + Spouse	12	12	\$262.48	\$262.48
EE + Child(ren)	13	13	\$199.47	\$199.47
EE + Family	22	22	\$357.17	\$357.17

EE Contributions PEPM	358	358	\$179.70	\$179.70
Annual EE Contributions			\$771,980	\$771,980
\$ Change				\$0
% Change				0.0%

Employer Contributions

ER Contributions PEPM	358	358	\$1,289.38	\$1,352.71
Annual ER Contributions			\$5,539,190	\$5,811,229
\$ Change				\$272,039
% Change				4.9%

Based on 358 total employees as of August 2025.

Dental Renewal- No Changes to Plan Designs at 5%

Plan Design	
Deductible (Ind/Fam)	\$25/\$75
Annual Benefit Maximum	\$1,500
Preventive	100%
Basic	80%
Major	50%
Orthodontia Lifetime Max	\$1,500

Projected Budget Rates

		2025	2026
Enrollment*		Current	Renewal
Dental			
Employee Only	183	\$31.69	\$33.54
Employee + Spouse	47	\$88.29	\$93.45
Employee + Child(ren)	35	\$88.29	\$93.45
Family	111	\$88.29	\$93.45
Total Funding PEPM	376	\$60.74	\$64.29
Total Funding Annual		\$274,071	\$290,084
% Change			5.8%

Employee Contributions

		2025	2026
		Current	Renewal - \$2 EE, 1.3% Dep
Employee Only	183	\$0.00	\$2.00
Employee + Spouse	47	\$23.10	\$23.40
Employee + Child(ren)	35	\$23.10	\$23.40
Family	111	\$23.10	\$23.40
EE Contributions PEPM	376	\$11.86	\$12.98
Annual EE Contributions		\$53,500	\$58,586
\$ Change			\$5,087
% Change			9.5%

Employer Contributions

ER Contributions PEPM	376	\$48.89	\$51.31
Annual ER Contributions		\$220,571	\$231,498
\$ Change			\$10,926
% Change			5.0%

*Enrollment is based on August 2025.

Life and Disability Marketing Results- City Paid

Coverage	Current	Renewal	Negotiated Renewal	Equitable	Guardian	Mutual of Omaha	Principal	The Hartford	The Standard
Basic Life/AD&D	\$65,349	\$66,711	\$50,827	\$55,819	\$73,972	\$45,381	\$65,349	\$45,381	\$68,980
Advice to Pay STD	\$10,309	\$10,309	\$10,309	\$7,426	\$8,518	\$10,309	\$6,072	\$9,828	\$19,831
LTD	\$118,447	\$121,978	\$85,706	\$99,509	\$80,570	\$80,249	\$105,928	\$134,818	\$134,818
Annual Total	\$194,105	\$198,998	\$146,842	\$162,754	\$163,060	\$135,939	\$177,349	\$190,027	\$223,629
\$ Change	-	\$4,893	-\$47,263	-\$31,351	-\$31,045	-\$58,166	-\$16,756	-\$4,078	\$29,524
% Change	-	2.5%	-24.3%	-16.2%	-16.0%	-30.0%	-8.6%	-2.1%	15.2%
Rate Guarantee	-	2 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years

Employee Assistance Program (EAP) Comparison

Product Offering	Optum- Current	Curalinc- Recommended
# of sessions	5 sessions	5 sessions
Session Modality	Phone, group support, email, etc.	Phone, video, text, group support, live chat, email, etc.
Worksite	Training & critical incident response- \$275 per hour	Training & critical incident response- \$245 per hour
Utilization Reporting	Yes- Quarterly	Yes- Semi Annual
Manager Mental Health Training	Yes	Yes
Communication Program	Full Promotional Program	Full Promotional Program
Annual Cost	\$7,254 annually \$1.86 PEPM, 325 EEs 3-year rate guarantee	\$6,942 annually \$1.78 PEPM, 325 EEs 3-year rate guarantee

Thank you

