



Board Agenda Item 32

DATE: October 7, 2025

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: County Health Premiums for Plan Year 2026

RECOMMENDED ACTION(S):

- 1. Approve the biweekly health insurance premiums for active employees and dependents for Plan Year 2026, effective December 8, 2025 (Exhibit A).**
- 2. Approve the monthly health insurance premiums for retirees and dependents for Plan Year 2026, effective January 1, 2026 (Exhibit B).**

Approval of the recommended actions will approve the health and life insurance biweekly and monthly rates for Plan Year 2026 for employees, retirees, and their dependents. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may choose to consider benefit modifications that would affect premiums, copayments or deductibles. However, benefit modifications for plans through the San Joaquin Valley Insurance Authority (SJVIA) would require approval by the SJVIA Board.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

On May 6, 2025, your Board made a finding that it was in the best interest of the County to waive the competitive bidding process consistent with Administrative Policy No. 34 under the “unusual or extraordinary circumstances” exception for the solicitation of health benefits plan proposals for Plan Year 2026. This allowed the County the flexibility needed to negotiate directly with health insurance providers and maximize cost effective alternatives that best meet the needs of the County, its active employees, retirees, and their dependents.

FISCAL IMPACT:

Appropriations and related projected revenue of \$113 million has been included in the Risk Management Org 8925 FY 2025-26 Adopted Budget for pass-through health insurance premiums of County employees, retirees, and dependent coverage. Of this amount, approximately \$107 million is for active employees and \$6 million is for retirees.

In accordance with Budget Instructions, County Departments included appropriations in their FY 2025-26 Adopted Budgets for the County portion of active employee premiums. However, the Net County Cost (NCC) for this contract period is subject to the County contribution applied toward the total premium rate as well as the funding source(s) for each County department/Org (i.e., NCC vs. grant/state/federal funded departments/Orgs). The County contribution is subject to the meet and confer process and staff will be requesting approval of the Plan Year 2026 County contribution in a separate item.

DISCUSSION:

The County has traditionally offered multiple plans to allow employees the choice of the doctor, hospital or delivery system that meets their needs. The current plans and networks allow access to all local hospitals depending on the plan selected. The following plans will be available to employees and their dependents for Plan Year 2026:

- Three EPO health insurance plans offered through Anthem Blue Cross that allow access to doctors and hospitals within Anthem's PPO network. The plans are differentiated by varying copays for office and hospital visits, and annual out of pocket limits.
- A High-Deductible PPO with a \$3,300 deductible for employee or a \$6,000 deductible for family. The deductible for this plan allows participants to contribute to an HSA. HSAs are tax favored savings accounts that are combined with a qualifying high-deductible health insurance plan.
- An HMO option through Kaiser continues to be offered as an integrated, pre-paid health delivery system. The entire range of care for members is provided and coordinated through their system, including doctors, hospitals, and pharmacies.
- A High-Deductible Health Plan HMO option offered through Kaiser with a \$3,300 deductible for employee or \$6,000 deductible for family. The deductible for this plan allows participants to contribute to an HSA.

Plan Year 2026 health plan options are summarized in the attached Exhibit D.

Beginning in 2010, the County began participating in the SJVIA with the County of Tulare to contribute to lower fixed costs and additional value-added services. The plans offered through Anthem Blue Cross are self-insured with the SJVIA.

Below is a summary of the options considered and recommended actions by category that were formed with input from the Health Benefits Advisory Committee (HBAC), which is a partnership between labor, retirees, and management representatives working together to identify, discuss, and evaluate issues concerning health benefits:

1. Health Plans - Active & Pre-65 Retirees:

- a. Anthem Blue Cross (SJVIA): The SJVIA Board approved a 2.86% rate increase for the Yosemite EPO plan option. A rate pass was approved for the Sierra EPO, Pismo EPO, Anthem HDPPO (active employees) and Anthem HDPPO (pre 65 retirees) plan options for Plan Year 2026.

In addition, the SJVIA Board approved a pharmacy benefit manager, Anthem Pharmacy, to provide prescription coverage to participants. The prescription coverage fees are included in the rates for Plan Year 2026. It is recommended that these plans be offered in Plan Year 2026.

- b. Kaiser (SJVIA): The SJVIA Board approved a rate increase of 6.24% for the traditional HMO plan and a 6.27% for the Kaiser HDHP for Plan Year 2026. It is recommended to continue offering the Traditional HMO Kaiser plan as well as the Kaiser HDHP plan.
- c. Administrative Services (SJVIA): The SJVIA continues to offer additional services as part of the total rate structure, including Consolidated Omnibus Budget Reconciliation Act (COBRA) administration and billing, Family Medical Leave Act (FMLA) billing and consolidated eligibility/billing services. The County currently contracts with MyWorkplace, Inc. (MyWorkplace) and Navia Benefit Solutions. (formerly known as Administrative Solutions, Inc.). The MyWorkplace and Navia Benefit Solutions agreements will be brought to your Board for approval at a future Board meeting.

Recommended rates for the Anthem Blue Cross and Kaiser plans are detailed in Exhibits A and B. The rate change for each plan is summarized in Exhibit C. If approved, the premium rates will be incorporated into the annual Open Enrollment materials. Open Enrollment for the 2026 Plan Year is scheduled for October 8- October 24, 2025, and is the one time each year that employees may make health plan changes and add or delete eligible dependents without a qualifying event. Open Enrollment health plan changes will take effect on December 8, 2025, for active employees and January 1, 2026, for retirees.

2. Health Plans - Post-65 / Medicare Retirees:

The County currently offers two types of plans to Medicare eligible retirees called Medicare Supplemental (Retiree First) and Medicare Advantage (Kaiser Senior Advantage High/Low). After evaluating options available and with valuable input from retirees participating in the HBAC, it is recommended that the County:

- a. Maintain and continue to offer a Medicare Supplemental plan managed by Retiree First with TransAmerica for medical coverage and UnitedHealthCare for prescription services, at a combined increase rate of 12.49%.
- b. Maintain and continue to offer the Kaiser Senior Advantage High and Low plans with rate increases of 7.62%.

Recommended rates for Retiree First (Transamerica/UnitedHealthcare) and Kaiser are included in Exhibit B and the rate change is summarized in Exhibit C. The agreements for the post-65/Medicare retirees are being finalized and will be brought to your Board for approval at a meeting later this year.

3. Dental Plans (SJVIA):

For Plan Year 2026, the SJVIA Board approved a 0.00% rate renewal from Delta Dental on the DPPO plan, and a 2.49% renewal on the DHMO plan. The DHMO offers a limited network of providers in exchange for enhanced coverage, whereas the DPPO offers access to an expanded network of providers and specialists in exchange for higher deductibles. The dental renewal is summarized in Exhibit C.

The DPPO and DHMO Delta Dental plans are made available to the County through its participation in the SJVIA. A Participation Agreement with the SJVIA for Plan Year 2026 will be brought to your Board for approval at a Board meeting later this year.

4. Vision Plan (SJVIA):

Employees enrolled in the Anthem Blue Cross EPO, PPO, and HDPPO, pre-65 retirees enrolled in the Anthem Blue Cross HDPPO, and post-65 retirees enrolled in the Retiree First plan all receive vision coverage through the SJVIA in an agreement with Vision Services Plan (VSP). The SJVIA Board approved a 0.00% renewal for VSP for Plan Year 2026. The County's SJVIA Participation Agreement for Plan Year 2026 will include VSP as the vision provider.

OTHER REVIEWING AGENCIES:

HBAC has reviewed and agrees with the recommendations contained in this item.

REFERENCE MATERIAL:

BAI #31, May 6, 2025
BAI #34, October 8, 2024
BAI #35, July 9, 2013
BAI #9, October 6, 2009

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - 2026 Active Employee and Dependent Premiums - Biweekly

Exhibit B - 2026 Retiree and Dependent Premiums - Monthly

Exhibit C - 2026 Medical Renewal Rate Change Summary

Exhibit D - 2026 Health Plan Options

CAO ANALYST:

Sevag Tateosian