



# City of Lee's Summit

2026 Health Insurance Packet

September 23<sup>rd</sup>, 2025



# 2026 Renewal Summary by Line of Coverage

Line of Coverage	Carrier	Next Renewal	Notes/Status
Medical	Cigna	<b>1/1/2026</b>	+36% calculated, released at +27% renewal, reduced to 24.2%. Proposed plan and network changes resulting in +15.5% renewal. Full market and funding assessment.
Dental	Cigna	<b>1/1/2026</b>	Renewal released at 10.3%, reduced to 6.7% with a 7.5% rate cap in place for 1/1/2027. Market assessment conducted.
Vision	MetLife	<b>1/1/2026</b>	Received a rate hold for 1/1/2026
FSA	Navia	<b>1/1/2026</b>	Moving to P&A Group 1/1/2026
Basic Life/AD&D	Hartford	<b>1/1/2026</b>	Received a rate hold until 1/1/2028
Vol Life/AD&D	Hartford	<b>1/1/2026</b>	
Long Term Disability	Hartford	<b>1/1/2026</b>	
EAP	Curalinc	1/1/2027	Under 4-year rate guarantee
COBRA Admin	Navia	<b>1/1/2026</b>	Moving to P&A Group 1/1/2026
Accident/Critical Illness	The Hartford	Individual	
Universal Life w/ Long Term Care	Trustmark	Individual	Moving to AllState 1/1/2026

# Renewal Context and Summary Outcome

2025 pricing of +9.5% was the result of a rate cap. Cabinet & HM met in JAN 2025 to plan 2026 insured and self-funding marketing anticipating cost pressures.

At that time, the forecast for 2026 CIGNA renewal was +15%. By APR projections this had grown to +24% using CIGNA's formula. The market received this baseline data thru APR.

The last 19 months of paid claims have exceeded premium by +22% with a deficit of \$4.6M. CIGNA modified their formula with MAY data to yield a +39% released at +27%.

Three large claimants pushed claim growth by \$3.7M over \$50k in the last 12 months. 2025 premium is \$14.6M. These specific risks tainted the market response.

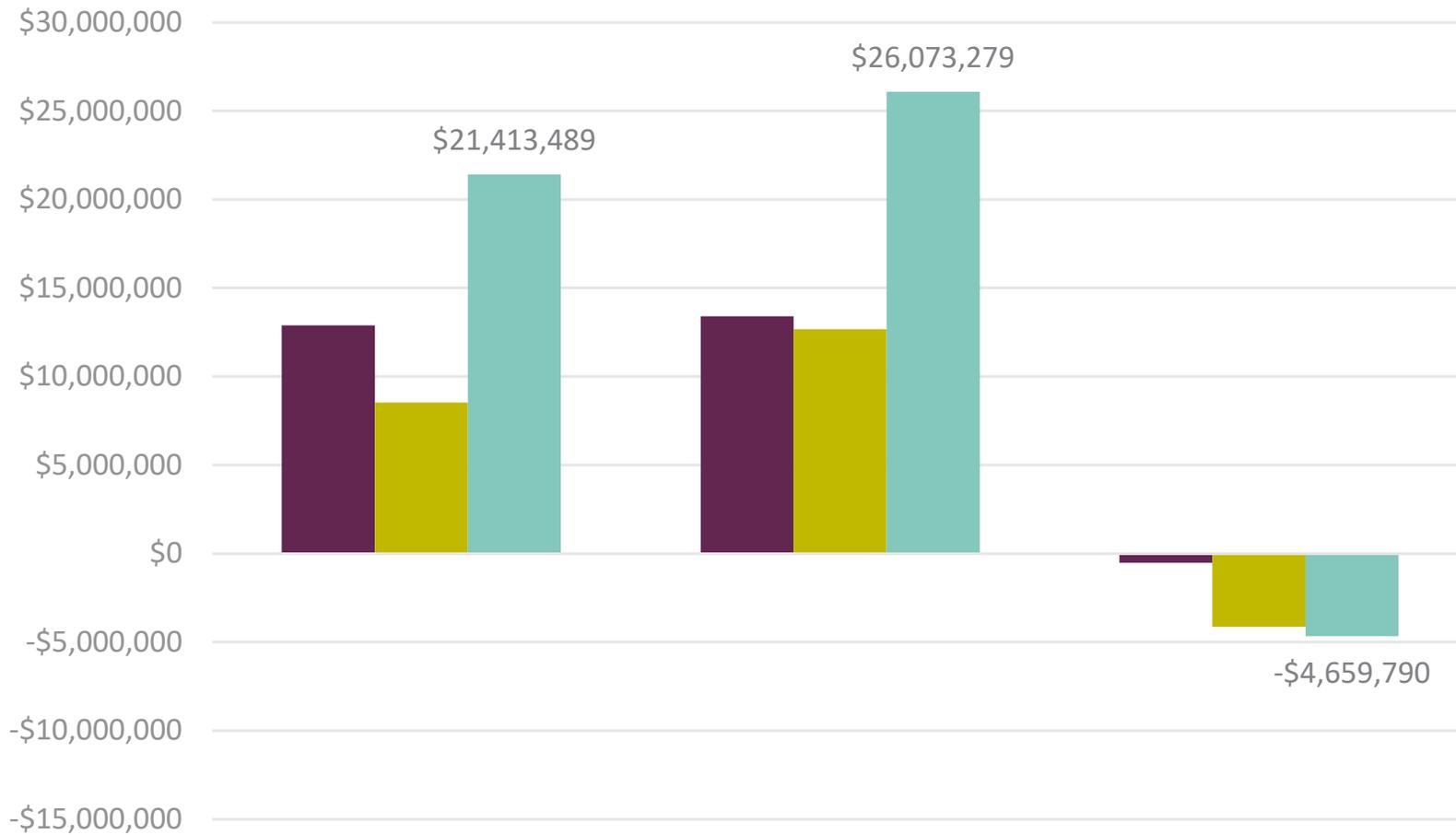
No viable insured option from Aetna, BlueKC or UHC was offered. Self-funding was tabled by Cabinet in July due to stop loss contingencies, timing and risk versus reward.

Cabinet and Management team weighed approaches including moving subsidy to HDHP or alt plan, spousal surcharges/exclusions, tiering, narrow network and plan designs.

Final decision was to proceed with CIGNA with two plan choices (Base with changes and HDHP) plus narrow network options for both plans and a COLS subsidy increase of +19.98%.

# Utilization Context

# Premium at a \$4.7M Deficit Over 19 Months



	Premium	Gross Claims	Balance
■ 2024	\$12,886,459	\$13,403,231	-\$516,773
■ 2025 thru JUL	\$8,527,031	\$12,670,048	-\$4,143,017
■ Total	\$21,413,489	\$26,073,279	-\$4,659,790



# Marketing Summary

# Marketing Responses

## Cigna (incumbent)

- ✓ Fully Insured (firm offer)
- ✓ ASO Admin (firm offer)
- ✓ Stop Loss (illustrative)

## Aetna

- ✓ Fully Insured (firm offer)
- ✓ ASO Admin (firm offer)
- ✓ Stop Loss (illustrative)

## Blue KC

- ✓ No Fully Insured quote offered
- ✓ ASO Admin. (firm offer)
- ✓ No Stop Loss offer

## United Health Care

- ✓ Declined to quote

## Third Party Stop Loss

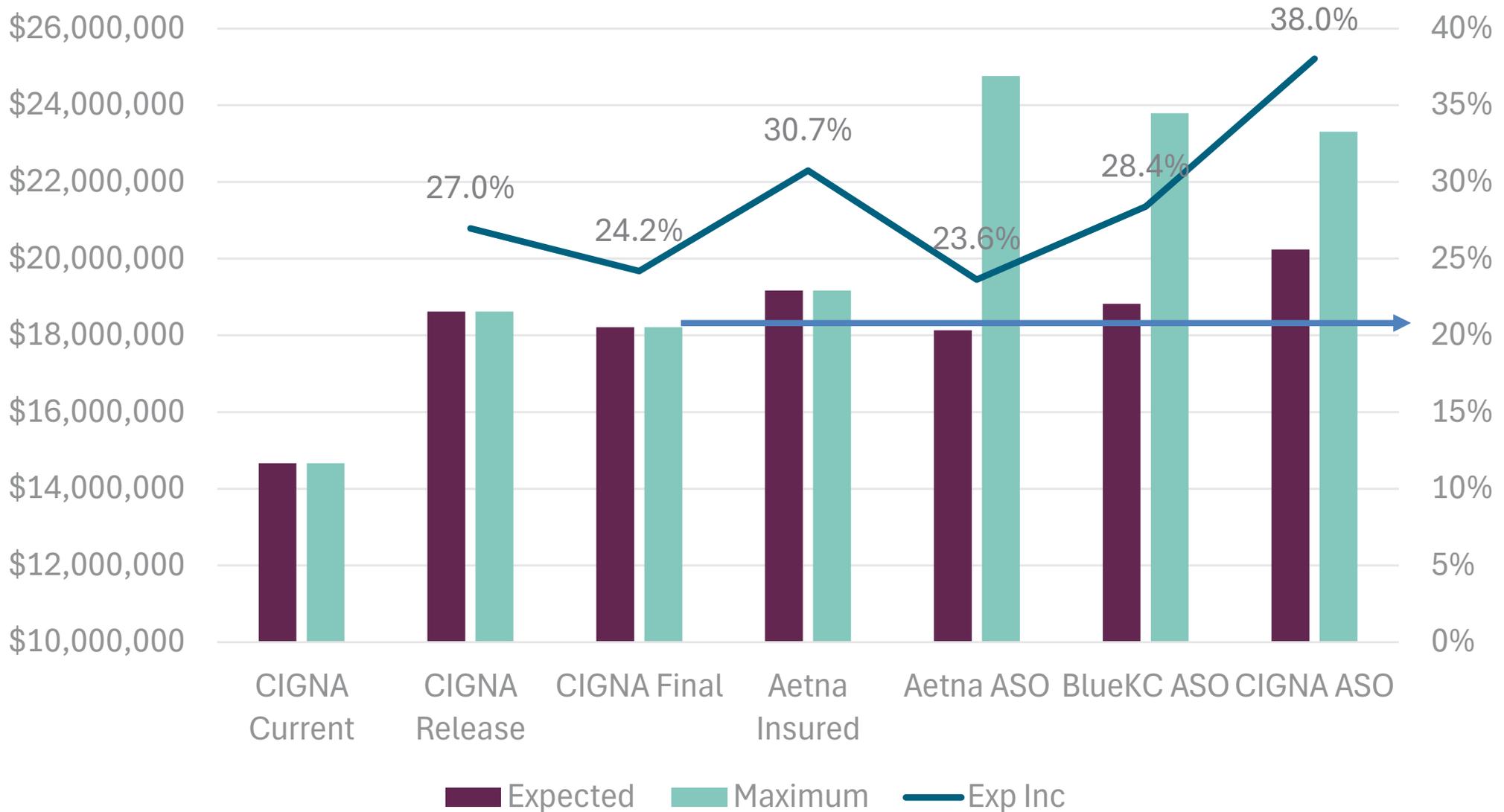
- ✓ Sent to 14 carriers
- ✓ 4 carriers submitted preliminary bids with 10 declines, Symetra as best
- ✓ All illustrative with laser liability indicated
- ✓ Inability to firm until OCT

## Pharmacy

- ✓ Optum, CVS & Walgreen's pricing / rebate structures in initial marketing
- ✓ Secondary transparent Rx consideration tabled after self-funding removed as a desired 2026 pathway



# Marketing Outcomes Insured & SF



# 2026 Medical & Dental Recommendations

# Recommended Medical Changes with CIGNA

- Eliminate the \$0 Deductible PPO Buy-up plan
- Plan design changes to the \$500 PPO plan (now referred to as the \$750 Deductible PPO plan) and only IRS mandatory deductible/OOPM increase on HDHP
- Anchor plan for contributions is the BROAD network \$750 Deductible PPO plan
- Utilize Broad and Narrow network for the two remaining plans, resulting in 4 plan options:
  - 1) \$750 Deductible PPO plan with changes on the BROAD network
  - 2) \$750 Deductible PPO Plan with plan changes on the NARROW network
  - 3) HDHP Plan with BROAD network (IRS increase only)
  - 4) HDHP Plan with NARROW network (IRS increase only)
- Contributions based on the current subsidy structure (+19.98%):

<b>Subsidy % of \$750 Ded Broad PPO</b>	
EE	90%
EE + SP	75%
EE + CH(RN)	75%
FAM	75%



# Subsidy Approach and City Fiscal Impact

<b>Plan:</b>		<b>\$750</b>	<b>HDHP</b>	<b>\$750</b>	<b>HDHP</b>
<b>Network:</b>		<b>oap broad</b>	<b>oap broad</b>	<b>lp narrow</b>	<b>lp narrow</b>
<b>Design:</b>		<b>changes</b>	<b>IRS Only</b>	<b>changes</b>	<b>IRS Only</b>
<b>Rates 2026</b>					
EE		\$1,229.35	\$1,120.19	\$1,096.38	\$996.97
EE + SP		\$2,706.13	\$2,464.84	\$2,413.44	\$2,193.71
EE + CH(RN)		\$2,706.13	\$2,464.84	\$2,413.44	\$2,193.71
FAM		\$3,141.44	\$2,861.25	\$2,801.67	\$2,546.51
<b>Price from current (premium)</b>		<b>20.1%</b>	<b>24.2%</b>	<b>7.1%</b>	<b>10.5%</b>
<b>Anticipated Premium w/ New Plans</b>				<b>\$16,965,285</b>	
<b>Premium \$ Increase</b>				<b>\$2,302,225</b>	
<b>Anticipated Gross Premium %</b>				<b>15.7%</b>	
<b>COLS Subsidy</b>	<b>2025</b>	<b>2026</b>	<b>2026</b>	<b>2026</b>	<b>2026</b>
EE	\$921.22	\$1,106.42	\$1,106.42	\$1,096.38	\$996.97
EE + SP	\$1,689.88	\$2,029.60	\$2,029.60	\$2,029.60	\$2,029.60
EE + CH(RN)	\$1,689.88	\$2,029.60	\$2,029.60	\$2,029.60	\$2,029.60
FAM	\$1,961.72	\$2,356.08	\$2,356.08	\$2,356.08	\$2,356.08
<b>COLS Cost</b>	<b>\$11,992,421</b>	<b>\$5,574,870</b>	<b>\$5,253,749</b>	<b>\$1,856,232</b>	<b>\$1,703,380</b>
<b>COLS Total</b>				<b>\$14,388,231</b>	
<b>COLS \$ Increase</b>				<b>\$2,395,810</b>	
<b>COLS % Increase</b>				<b>19.98%</b>	



# Contribution/Payroll Impact

Plan:	\$750	HDHP	\$750	HDHP
Network:	oap broad	oap broad	lp narrow	lp narrow
Design:	changes	IRS Only	changes	IRS Only
<b>2026 Contribution cost with \$750 Broad as Anchor</b>				
EE	\$122.94	\$13.78	\$0.00	\$0.00
EE + SP	\$676.53	\$435.24	\$383.84	\$164.11
EE + CH(RN)	\$676.53	\$435.24	\$383.84	\$164.11
FAM	\$785.36	\$505.17	\$445.59	\$190.43
<b>Contribution Monthly Change from 2025 to 2026 with \$750 Broad as Anchor</b>				
EE	\$20.57	\$13.78	-\$102.36	\$0.00
EE + SP	\$113.23	\$140.29	-\$179.46	-\$130.84
EE + CH(RN)	\$113.23	\$140.29	-\$179.46	-\$130.84
FAM	\$131.45	\$162.85	-\$208.32	-\$151.89

# Four Plan Detail

## \$750 Base PPO Broad Network

- Increase to in and out of network deductible and out-of-pocket max
- Increase to coinsurance in and out of network
- Tied to the Broad Open Access Plus Cigna Network
- City subsidy structure tied to this plan

## \$750 PPO Local Plus Network

- Increase to in and out of network deductible and out-of-pocket max
- Increase to coinsurance in and out of network
- Tied to the High-Performance, Narrow Network, Local Plus

## HDHP Broad Network

- Mandatory IRS increase to deductible and out-of-pocket max only
- Tied to the Broad, Open Access Plus Cigna Network

## HDHP Local Plus Network

- Mandatory IRS increase to deductible and out-of-pocket max only
- Tied to the High-Performance, Narrow Network, Local Plus

# Plan Change Summary

		\$500 Deductible Plan		
Plan Design		Original	Proposed	Change
INN	Individual Deductible	\$500	\$750	\$250
	Family Deductible	\$1,000	\$1,500	\$500
	Individual OOP	\$2,800	\$3,500	\$700
	Family OOP	\$5,600	\$7,000	\$1,400
	Coinsurance	90%	80%	10%
OON	Individual Deductible	\$1,500	\$2,250	\$750
	Family Deductible	\$3,000	\$4,500	\$1,500
	Individual OOP	\$8,400	\$10,500	\$2,100
	Family OOP	\$16,800	\$21,000	\$4,200
	Coinsurance	70%	60%	10%
Rx	Pharmacy OOP	\$1,500	\$2,000	\$500

		HDHP Plan (IRS Mandated Changes Only)		
Plan Design		Original	Proposed	Change
INN	Individual Deductible	\$3,300	\$3,400	\$100
	Family Deductible	\$6,600	\$6,800	\$200
	Individual OOP	\$3,300	\$3,400	\$100
	Family OOP	\$6,600	\$6,800	\$200
OON	Individual Deductible	\$6,600	\$6,800	\$200
	Family Deductible	\$13,200	\$13,600	\$400
	Individual OOP	\$6,600	\$6,800	\$200
	Family OOP	\$13,200	\$13,600	\$400



# Communications Game Plan

1. Targeted communications regarding the additional Local Plus network option and provider availability
2. Partnership with Cigna on identification of members who are currently utilizing the Local Plus network and could take advantage of lower premiums
3. Open enrollment collateral identifying 2026 plan changes and identifying options
4. Cigna and HMA will be in attendance for the Benefit Fair on October 29<sup>th</sup> to help answer member questions and provide guidance
5. Avant Enrollment Specialists will be prepared to speak to network differences and plan option decision support



# Moving Forward 2026

1. Large Claims & Stop Loss
  - continue monthly tracking for risk shift & impactable diagnoses/treatments to maximize future stop loss placement
2. Pharmacy
  - Q1 review of alternate formulary w/ CIGNA
  - Q1 introduction to transparent Rx vendor(s) to understand value proposition if self-funded in 2027
3. Finance / Budget
  - Q1 collaboration to set stage for how to quantify risk/reward tolerance for 2027 healthcare financing options for purchase parameters
4. Human Resources
  - Q4/Q1 collaboration on 2026Q4 later open enrollment window and renewal staging as potential 2027 move to self-funding would need additional time to finalize stop loss offers (early OCT)



# 2026 Cigna Dental Renewal

COLS Dental				
	Enrollment	Cigna Current	Cigna Initial Renewal	Cigna Negotiated*
Employee Only	328	\$38.80	\$42.82	\$41.39
Family	432	\$97.64	\$107.74	\$104.15
<b>Monthly Cost</b>	<b>760</b>	<b>\$54,907</b>	<b>\$60,589</b>	<b>\$58,569</b>
<b>Annual Cost</b>		<b>\$658,883</b>	<b>\$727,064</b>	<b>\$702,825</b>
<b>&amp; Change from Current</b>			<b>\$68,181</b>	<b>\$43,942</b>
<b>% Change from Current</b>			<b>10.3%</b>	<b>6.7%</b>

\* Rate Cap of 7.5% on the 1/1/2027 renewal increase

- Seven carriers submitted proposals for dental
- Humana, MetLife and SunLife had fiscal proposals that were at or just below present premium
- Dental provider disruption was significant with each and a decision was made to stay with CIGNA for a \$37k increase to the City



Thank  
you.