



City of Lee's Summit

2026 Health Insurance Packet

September 23rd, 2025



2026 Renewal Summary by Line of Coverage

Line of Coverage	Carrier	Next Renewal	Notes/Status
Medical	Cigna	1/1/2026	+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	1/1/2026	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	1/1/2026	Received a rate hold for 1/1/2026
FSA	Navia	1/1/2026	Moving to P&A Group 1/1/2026
Basic Life/AD&D	Hartford	1/1/2026	Received a rate hold until 1/1/2028
Vol Life/AD&D	Hartford	1/1/2026	
Long Term Disability	Hartford	1/1/2026	
EAP	Curalinc	1/1/2027	Under 4-year rate guarantee
COBRA Admin	Navia	1/1/2026	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.

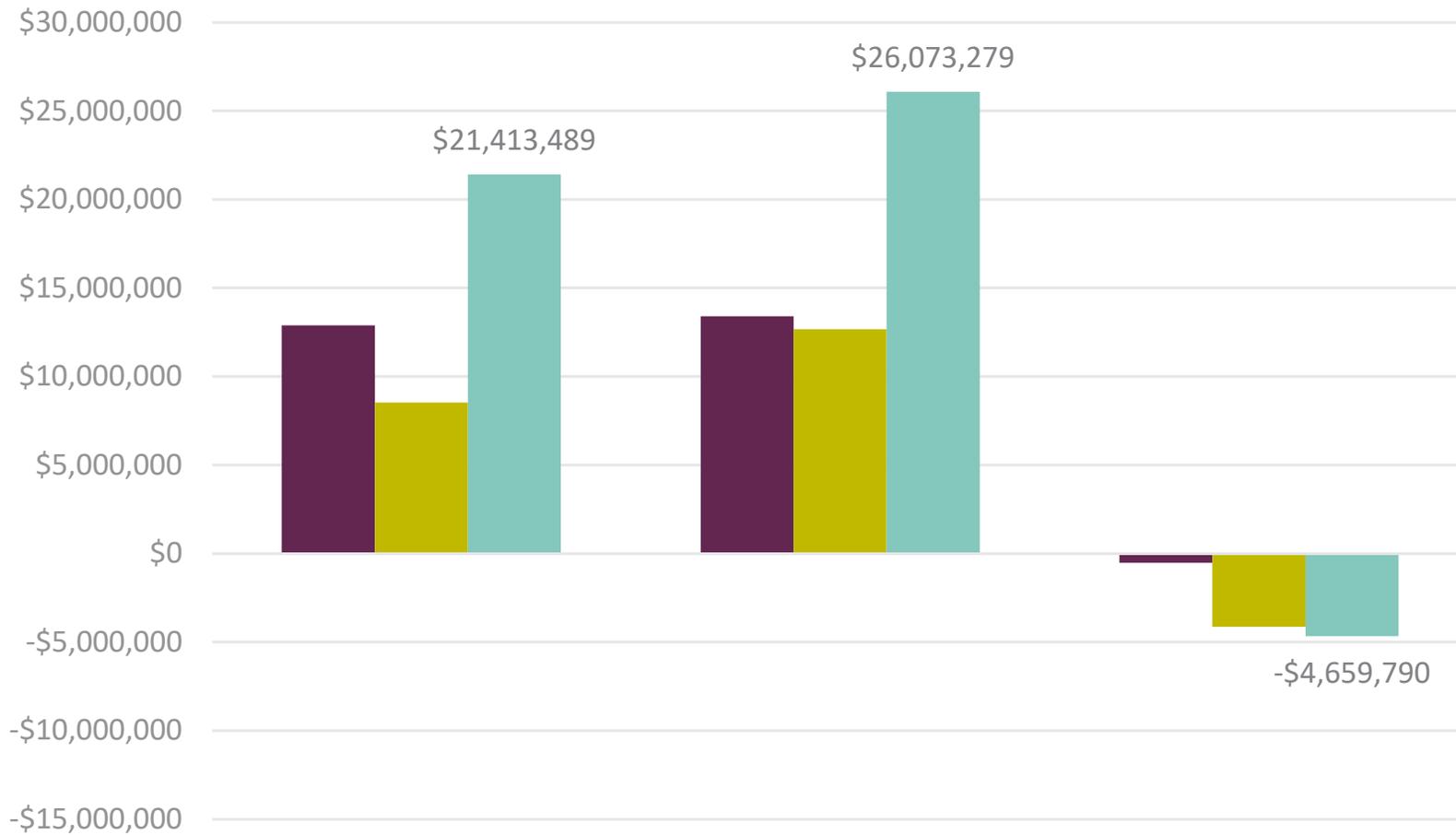
No viable insured option from Aetna, BlueKC or UHC was offered. Self-funding was tabled by Cabinet in July due to stop loss contingencies, timing and risk versus reward.

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

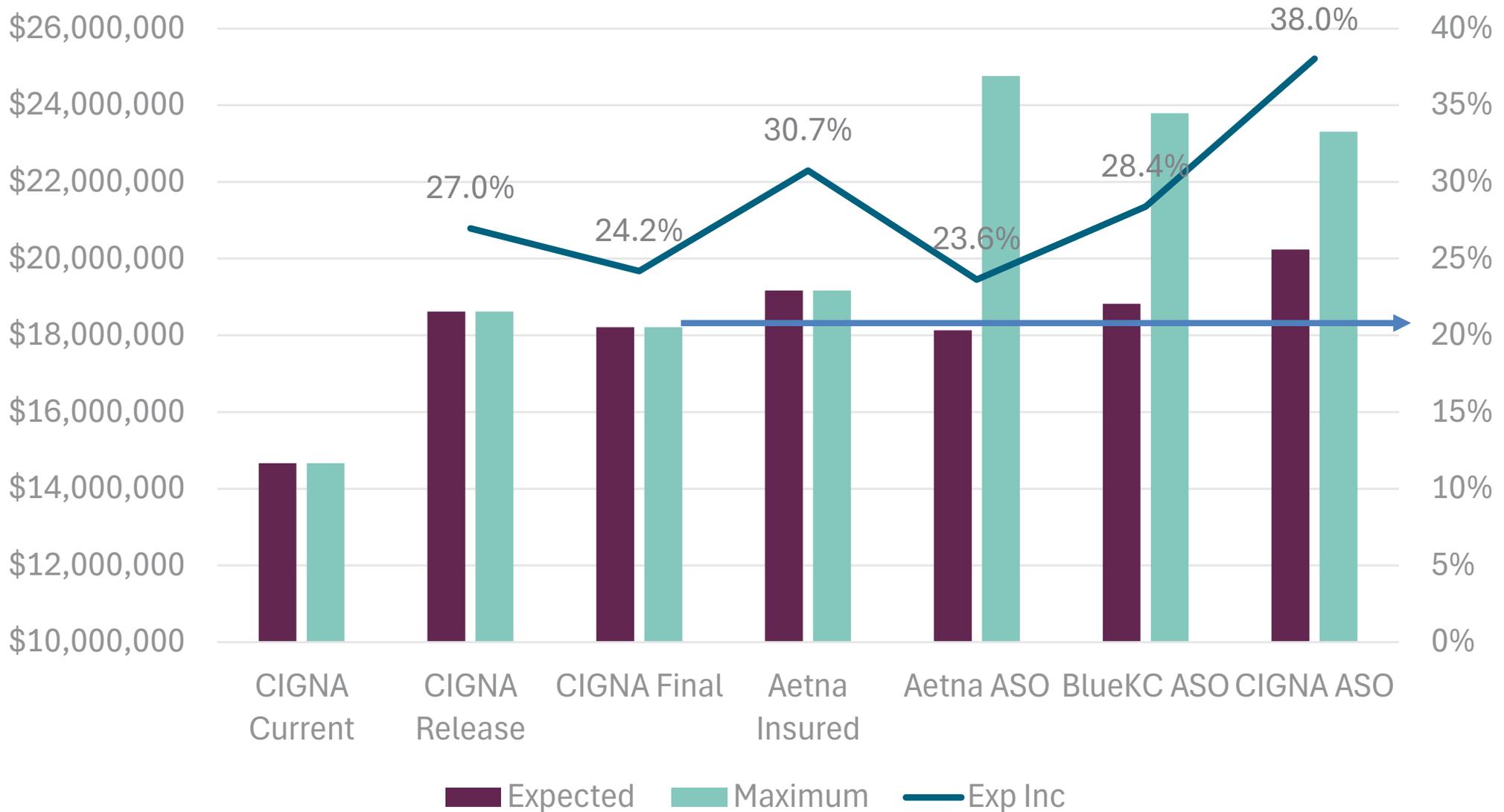
- ✓ Sent to 14 carriers
- ✓ 4 carriers submitted preliminary bids with 10 declines, Symetra as best
- ✓ All illustrative with laser liability indicated
- ✓ Inability to firm until OCT

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%):

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



Subsidy Approach and City Fiscal Impact

Plan:		\$750	HDHP	\$750	HDHP
Network:		oap broad	oap broad	lp narrow	lp narrow
Design:		changes	IRS Only	changes	IRS Only
Rates 2026					
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
Price from current (premium)		20.1%	24.2%	7.1%	10.5%
Anticipated Premium w/ New Plans				\$16,965,285	
Premium \$ Increase				\$2,302,225	
Anticipated Gross Premium %				15.7%	
COLS Subsidy	2025	2026	2026	2026	2026
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
COLS Cost	\$11,992,421	\$5,574,870	\$5,253,749	\$1,856,232	\$1,703,380
COLS Total				\$14,388,231	
COLS \$ Increase				\$2,395,810	
COLS % Increase				19.98%	



Contribution/Payroll Impact

Plan:	\$750	HDHP	\$750	HDHP
Network:	oap broad	oap broad	lp narrow	lp narrow
Design:	changes	IRS Only	changes	IRS Only
2026 Contribution cost with \$750 Broad as Anchor				
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
Contribution Monthly Change from 2025 to 2026 with \$750 Broad as Anchor				
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 29th 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
Monthly Cost	760	\$54,907	\$60,589	\$58,569
Annual Cost		\$658,883	\$727,064	\$702,825
& Change from Current			\$68,181	\$43,942
% Change from Current			10.3%	6.7%

* 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

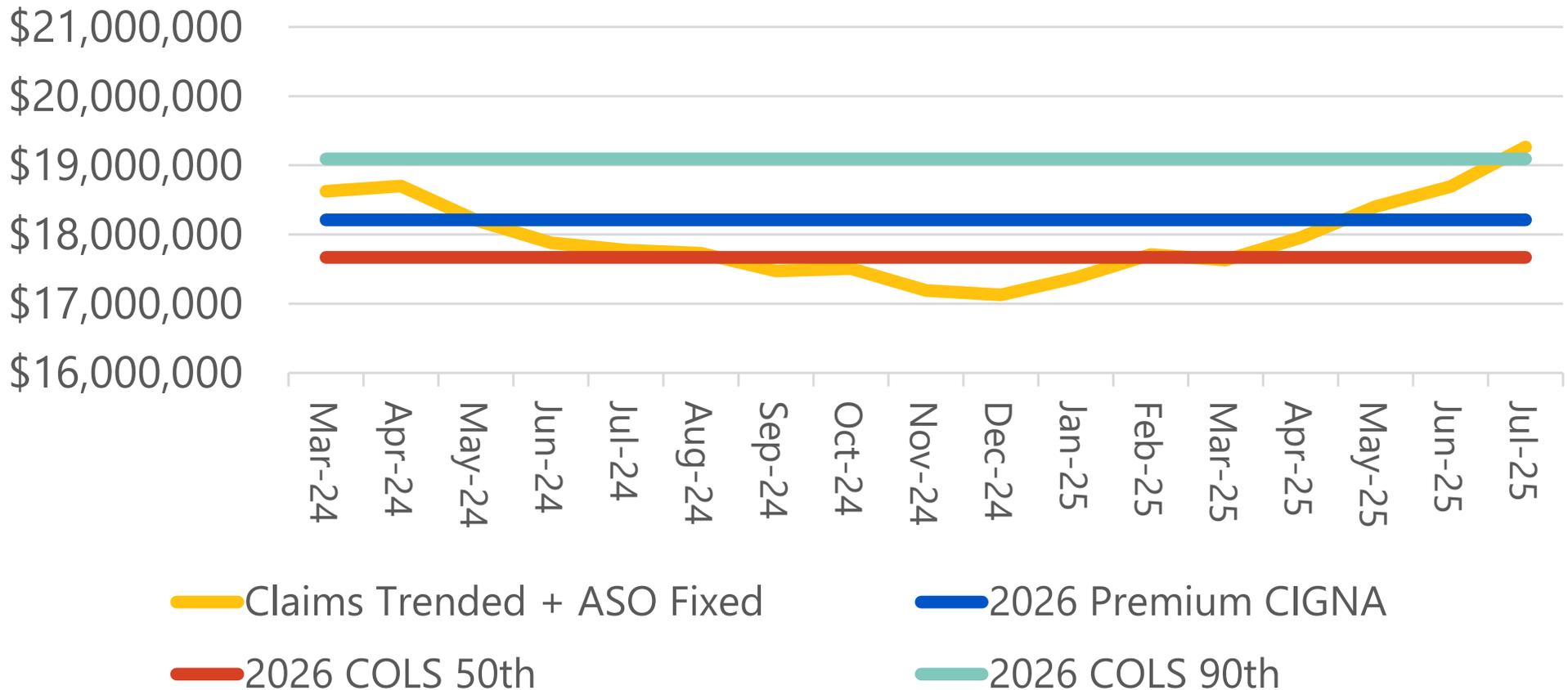


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Appendix

Aetna Self-Funding vs. Insured Model



- Assumes Aetna's illustrative stop loss pricing would hold
- Recent data patterns would yield losses on self-funded financing vs insured w/ avg loss of \$575k in last quarter
- 50th percentile outcome would offer roughly \$250k in savings vs insured
- Insured removes top end risk / volatility but sets aside savings if claims settle down
- Above model includes all fixed, pooling, claims and pharmacy rebates
- Self-funding tabled for future consideration given large claim volatility and timing of stop loss



Self-Funding Detail

	Expected	Maximum	Admin	Stop Loss (Illustrative)	Rx Credit	Expected Med	Expected Rx	Max Claims
CIGNA Current	\$14,663,060	\$14,663,060						
CIGNA Release	\$18,617,677	\$18,617,677						
CIGNA Final	\$18,210,686	\$18,210,686						
Aetna Insured	\$19,170,648	\$19,170,648						
Aetna ASO	\$18,127,892	\$24,759,764	\$455,376	\$3,562,585	-\$1,399,334	\$10,803,004	\$4,706,261	\$22,141,137
BlueKC ASO	\$18,825,962	\$23,788,590	\$468,608	\$3,887,617	-\$815,419	\$10,803,004	\$4,482,153	\$20,247,785
CIGNA ASO	\$20,240,830	\$23,310,106	\$466,632	\$5,304,461	-\$815,419	\$10,803,004	\$4,482,153	\$18,354,433

- Stop loss proposals reflect illustrative releases. Final underwriting, laser confirmed liability and a released BlueKC proposal would occur in early OCT. Symetra used for BlueKC.



Insured vs Initial Self Funding

	Expected	Maximum	Exp Inc	Max Inc
CIGNA Current	\$14,663,060	\$14,663,060		
CIGNA Release	\$18,617,677	\$18,617,677	27.0%	27.0%
CIGNA Final	\$18,210,686	\$18,210,686	24.2%	24.2%
Aetna Insured	\$19,170,648	\$19,170,648	30.7%	30.7%
Aetna ASO	\$18,127,892	\$24,759,764	23.6%	68.9%
BlueKC ASO	\$18,825,962	\$23,788,590	28.4%	62.2%
CIGNA ASO	\$20,240,830	\$23,310,106	38.0%	59.0%



2026 Premium Rates

Cigna Base PPO Plan (\$750 Deductible) BROAD	Employee Monthly Contribution	City Monthly Contribution	Total Monthly Premium	Employee Contribution per Paycheck	Employee Monthly Increase
Employee Only	\$122.94	\$1,106.42	\$1,229.35	\$56.74	\$20.58
Employee + Spouse or Child(ren)	\$676.53	\$2,029.60	\$2,706.13	\$312.25	\$113.24
Employee + Family	\$785.36	\$2,356.08	\$3,141.44	\$362.47	\$131.45
Cigna Base PPO Plan (\$750 Deductible) Local Plus	Employee Monthly Contribution	City Monthly Contribution	Total Monthly Premium	Employee Contribution per Paycheck	Employee Monthly Increase
Employee Only	\$0.00	\$1,096.38	\$1,096.38	\$0.00	-\$102.36
Employee + Spouse or Child(ren)	\$383.84	\$2,029.60	\$2,413.44	\$177.16	-\$179.46
Employee + Family	\$445.59	\$2,356.08	\$2,801.67	\$205.66	-\$208.32
Cigna HDHP with HSA Plan BROAD	Employee Monthly Contribution	City Monthly Contribution	Total Monthly Premium	Employee Contribution per Paycheck	Employee Monthly Increase
Employee Only	\$13.77	\$1,106.42	\$1,120.19	\$6.36	\$13.77
Employee + Spouse or Child(ren)	\$435.24	\$2,029.60	\$2,464.84	\$200.88	\$140.30
Employee + Family	\$505.17	\$2,356.08	\$2,861.25	\$233.16	\$162.85
Cigna HDHP with HSA Plan Local Plus	Employee Monthly Contribution	City Monthly Contribution	Total Monthly Premium	Employee Contribution per Paycheck	Employee Monthly Increase
Employee Only	\$0.00	\$996.97	\$996.97	\$0.00	\$0.00
Employee + Spouse or Child(ren)	\$164.11	\$2,029.60	\$2,193.71	\$75.74	-\$130.84
Employee + Family	\$190.43	\$2,356.08	\$2,546.51	\$87.89	-\$151.89



2026 Final CIGNA Renewal Pricing

<i>Cigna \$750 Deductible PPO Plan Open Access Plus Network WITH Plan Changes</i>			
	April Enrollment	Current 2025 Cigna Rates	2026 Negotiated Renewal Cigna Rates
Employee Only	128	\$1,023.58	\$1,229.35
Employee + Spouse	30	\$2,253.18	\$2,706.13
Employee + Children	20	\$2,253.18	\$2,706.13
Family	94	\$2,615.63	\$3,141.44
Annual Cost	272	\$5,873,918	\$7,054,736
% Change from Current			20.1%

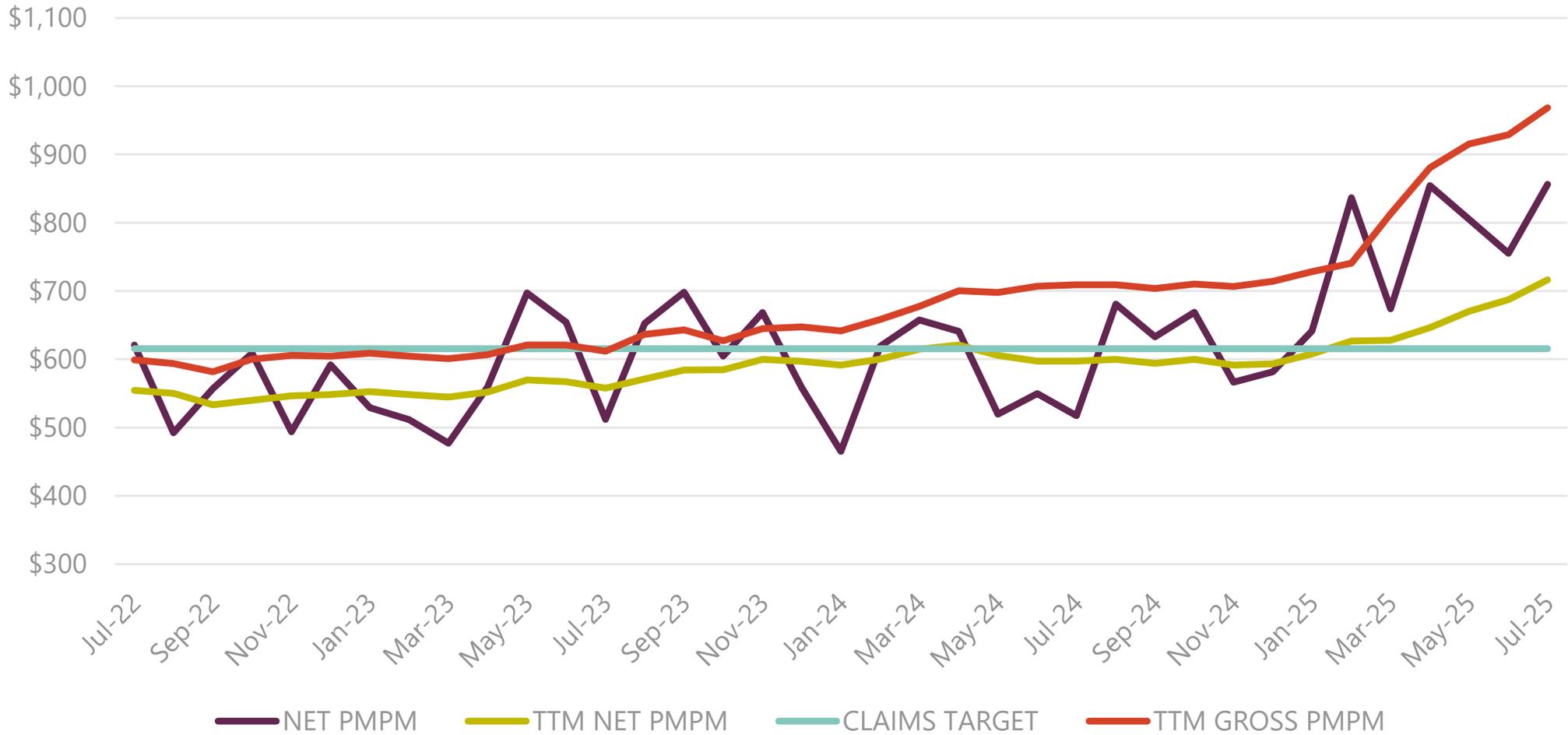
<i>Cigna \$750 Deductible PPO Plan Local Plus Network WITH Plan Changes</i>			
	April Enrollment	Current 2025 Cigna Rates	2026 Negotiated Renewal Cigna Rates
Employee Only	43	\$1,023.58	\$1,096.38
Employee + Spouse	10	\$2,253.18	\$2,413.44
Employee + Children	7	\$2,253.18	\$2,413.44
Family	31	\$2,615.63	\$2,801.67
Annual Cost	91	\$1,957,973	\$2,097,234
% Change from Current			7.1%

<i>Cigna Open Access Plus HDHP Plan Open Access Plus Network (IRS Increase Only)</i>			
	April Enrollment	Current 2025 Cigna Rates	2026 Negotiated Renewal Cigna Rates
Employee Only	137	\$902.04	\$1,120.19
Employee + Spouse	26	\$1,984.83	\$2,462.84
Employee + Children	21	\$1,984.83	\$2,464.84
Family	81	\$2,304.04	\$2,861.25
Annual Cost	265	\$4,832,722	\$6,000,848
% Change from Current			24.2%

<i>Cigna Open Access Plus HDHP Plan LocalPlus Network (IRS Increase Only)</i>			
	April Enrollment	Current 2025 Cigna Rates	2026 Negotiated Renewal Cigna Rates
Employee Only	46	\$902.04	\$996.97
Employee + Spouse	9	\$1,984.83	\$2,193.71
Employee + Children	7	\$1,984.83	\$2,193.71
Family	27	\$2,304.04	\$2,546.51
Annual Cost	89	\$1,617,819	\$1,788,075
% Change from Current			10.5%

Total Combined Plans			
	April Enrollment	Current 2025 Cigna Rates	2026 Negotiated Renewal Cigna Rates
Annual Cost	716	\$14,663,060	\$16,940,893
% Change from Current			15.5%

City of Lee's Summit Medical/Rx Trend



Medical/Rx Trend Over		NET Trend	Gross Trend	
36 Months		9.7%	20.6%	PMPM = Per Employee Per Month
24 Months		14.2%	29.2%	TTM = Trailing Twelve Months
12 Months		20.0%	36.6%	NET = Net of Pooled Claims
6 Months		35.7%	65.9%	GROSS = Includes Claims over Pooling

Claimants \$50k+ Primary Driver

High Cost Claimant Overview



Measure	Prior	Current	Trend
Count Enrolled Members	48	55	14.6% ↑
Sum Employer Paid Amount (Med+Rx)	\$6,708,564	\$10,439,008	55.6% ↑

- Most recent 12 months through July has an additional \$3.7M in paid large claims over \$50,000
- 3 claimants have yielded the paid differential
- One of the claimants is expected to continue with over \$1M of exposure in 2026



CIGNA / Market Renewal Math



- Present contract performance through July is +16% over targeted claims. Early year performance when market planning began was +2% over contract.
- Inflation adjustment over 17 months with annual inflation of 10% is +15%.
- Performance plus inflation yield a +31% increase. CIGNA also modified large claim loads in contract to release a modified calculation for renewal of +39% before blending and reductions.

Renewal Outcome vs History

CIGNA RENEWAL METHODOLOGY

