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"To Enrich Lives Through Effective and Caring Service"

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

September 09, 2025

**REVISED**

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

14 September 9, 2025

Dear Supervisors:

EDWARD YEN  
EXECUTIVE OFFICER

**MEDICAL, DENTAL, LIFE INSURANCE, AND DISABILITY PLAN RATES FOR 2026  
(ALL DISTRICTS) (3-VOTES)**

**SUBJECT**

Recommendation to approve premium rates for the 2026 calendar year for the medical, dental, life insurance and disability benefit plans applicable to represented and non-represented employees.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve the proposed premium rates for County-sponsored plans as follows: (a) medical and dental rates for employees in the Choices and Options plans for the period of January 1, 2026 through December 31, 2026, as recommended in this letter and shown in Exhibit I; (b) medical and dental rates for employees in the Flexible (Flex) and MegaFlex plans for the period of January 1, 2026 through December 31, 2026, as recommended in this letter and shown in Exhibit II; (c) Basic Life and Accidental Death and Dismemberment (AD&D) insurance rates for represented and non-represented employees; and for Choices and Options employees only, Optional Group Term Life and Dependent Term Life Insurance rates, for the period of January 1, 2026 through December 31, 2030, as shown in Exhibit III; (d) Optional Group Variable Universal Life (GVUL) and Dependent Term Life Insurance for Flex and MegaFlex employees for the period January 1, 2022 through December 31, 2026, as shown in Exhibit III; (e) Survivor Income Benefit (SIB) rates for MegaFlex employees for the period January 1, 2022 through December 31, 2026, as shown in Exhibit III; and (f) rates for Short-Term Disability (STD), Long-Term Disability (LTD) and LTD Health Insurance plans, for the period of January 1, 2026 through December 31, 2026, as shown in Exhibit IV.

2. Instruct County Counsel to review and approve as to form the appropriate agreements and/or amendments with Anthem Blue Cross and Anthem Blue Cross Life and Health Insurance Company (Anthem Blue Cross); Cigna Healthcare of California, Inc. (Cigna); Kaiser Foundation Health Plan, Inc. (Kaiser); Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. (Kaiser Mid-Atlantic); UnitedHealthcare of California and UnitedHealthcare Insurance Company (UnitedHealthcare); Delta Dental of California (Delta Dental Preferred Provider Organization (PPO); Delta Dental of California for DeltaCare USA (DeltaCare USA); SafeGuard Health Plans, Inc. (MetLife/SafeGuard); Metropolitan Life Insurance Company (MetLife); and Life Insurance of North America, a wholly owned subsidiary of New York Life; or their successors and affiliates, as necessary, for the period of January 1, 2026 through December 31, 2026.

3. Instruct the Chair to sign the aforementioned agreements and/or amendments.

4. Approve the proposed premium rates for the health plans sponsored by the Association for Los Angeles Deputy Sheriffs, Inc. (ALADS), the Los Angeles County Fire Fighters Local 1014 (Local 1014), and the proposed premium rates for the California Association of Professional Employees (CAPE), for the period of January 1, 2026, through December 31, 2026, as shown in Exhibit V.

5. Instruct the Auditor-Controller to make all payroll system changes necessary to implement the changes recommended herein to ensure that all changes in premium rates are first reflected on pay warrants issued on January 15, 2026.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

### **PURPOSE**

The County maintains employee health, dental, group life and other insurance programs to provide benefits that promote the effectiveness, health, and welfare of its workforce. The current premium rates and/or agreements for all County and union-sponsored medical and dental insurance plans will end on December 31, 2025.

The purpose of the recommendations contained in this letter is to implement negotiated agreements with carriers to continue existing medical and dental benefits, and to adopt changes for the 2026 calendar year.

The current three-year rate guarantee for Optional Group Term Life insurance for Choices and Options employees is set to expire on December 31, 2025. The renewal for Optional Group Term Life insurance for Choices and Options employees was offered at a five-year rate guarantee from January 1, 2026, through December 31, 2030. The rates will remain the same for Basic Life and AD&D, while the rates for Optional Employee and Dependent Life will increase. The current premium rates for Optional GVUL and dependent term life insurance for Flex and MegaFlex employees, and SIB rates for MegaFlex employees is effective through December 31, 2026. The 2026 rates will remain unchanged from 2025, as they are guaranteed through 2026. The 2026 rates are included in the Exhibits for informational purposes.

### **JUSTIFICATION**

Overall Premium Negotiation Process and Results

County-Sponsored Plans in General --- The recommendations for County-sponsored plans (Exhibits I, II, III and IV) are the results of negotiations between the health, dental and life insurance carriers and the County negotiating team consisting of representatives of the Chief Executive Office (CEO), Department of Human Resources (DHR), and the County's group insurance consultant, Aon. The Unions' benefit consultants also provided input during the insurance carrier negotiation process for County-sponsored plans with benefits currently governed by the Fringe Benefits Memoranda of Understanding (MOUs) with Service Employees International Union Local 721 (SEIU Local 721) and the Coalition of County Unions (CCU).

Aon has concluded that the County-sponsored plans carriers' final negotiated rates are justified with the exception of the Cigna rates for the Choices plan. Their opinions and supporting due diligence are outlined in Attachments A and B.

In general, County medical and dental plans are rated by carriers based on the cost of claims, claims trend, and administration costs. The annual rates also consider the health risk and the utilization of health care by County employees and their covered dependents.

The County-sponsored medical plan rates recommended in this letter will increase an average of 6.0 percent for Choices and Options employees and increase by 2.54 percent for Flex and MegaFlex employees, for an overall average increase of 5.31 percent over 2025 rates. For 2026, the rates for the County's Delta Dental PPO plan and DeltaCare USA plan, which covers most County's employees, will increase 1.60 percent for Choices and Options employees and increase 4.88 percent for Flex and MegaFlex employees. For 2026, the rates for all MetLife (Safeguard) dental plans will not increase from 2025. Overall, the County-sponsored dental plan rates will increase 2.11 percent over 2025 rates.

#### Aon's Health Care Trend Survey

The nationwide medical and pharmacy cost trend for 2026 is estimated by Aon to average an increase of 8.7 percent. The nationwide dental cost trend for 2026 is estimated by Aon to average an increase of 3.7 to 5.0 percent, depending on the type of plan.

Aon's health care carrier survey collected responses from more than 45 national and regional carriers that offer medical, prescription drug, dental, and/or vision benefits. The survey responses reflect the carriers' predicted increase in claim costs for renewals issued during 2025 and are intended to assist in evaluating insurance premium renewals. The trend rates reflect increases in health plan costs that are anticipated to be required to address projected price inflation, technology advances, plan utilization patterns, drug mix changes, and cost shifting from public to commercial payers.

Medical trend increased relative to last year's trends reported for most major plan types, with 1.1 percent increase on average. Prescription drug trends increased 1.3 percent from last year, which is primarily driven by drug mix and specialty prescription drug trend among participating carriers.

County-Approved Union-Sponsored Plans --- The premium and benefit recommendations in Exhibit V for County-approved union-sponsored health plans were negotiated by the sponsoring unions and evaluated by the CEO and DHR.

Renewal Policy and Process --- In accordance with County policy, the County negotiating team

requires all carriers to justify rates and support proposed contract terms for the upcoming plan year. The rate renewal process for 2026 (Attachments A and B) was designed to encourage full involvement and transparency among all County, union and carrier stakeholders. The process involved production of data by carriers as needed, identification, in-depth analysis, and evaluation of all material underwriting issues in carrier proposals, and documentation of due diligence and financial results. All parties complied with the process.

Overall Results --- Attachment C is a high-level summary of carrier negotiation results that compare the estimated actual total premiums from initial carrier premium quotes for 2026 with the final result after performance guarantee review, challenges to carrier underwriting, and negotiation. Total estimated savings to the County from initial carrier proposals for 2026 will be \$7.4 million.

Total 2026 premiums to be paid to health, dental, group life and other insurance plan carriers are estimated to be \$2.4 billion. Of this total, approximately \$2.01 billion is for County-sponsored plans and \$416 million is for Union-sponsored plans. This is an increase of approximately \$125 million (5.43 percent) over 2025.

Attachment C also reflects the percentage increase for each carrier by cafeteria plan and the total increase for County-sponsored health, dental, group life and other insurance programs. The increase in medical plan premiums estimated to be paid to health carriers during 2026, as shown on Attachment C, will range from 0.21 percent decrease to 11.67 percent increase (a weighted average increase of 5.31 percent). Basic Life Insurance rates and AD&D Insurance rates will remain unchanged for both represented and non-represented employees for 2026. For Choices and Options employees, Optional Life and Dependent Life Insurance rates will increase 5.0 percent for 2026. Optional GVUL and Dependent Life rates for Flex and MegaFlex employees, and Survivor Income Benefit (SIB) rates for MegaFlex employees will remain unchanged for 2026. The 2026 Delta PPO and DeltaCare USA rates, which cover the majority of employees, will decrease approximately 0.12 percent for employees in the Options plan, will increase 6.30 percent for employees in the Choices plan, and 4.88 percent for Flex and MegaFlex employees.

#### 2026 Premium Rates Recommended for Approval

Recommended Rates --- County and union-sponsored health, dental, group life and other insurance rates recommended for adoption are shown in Exhibits I through V. The rates support existing benefits and are consistent with the applicable Fringe Benefits MOUs and/or County Code provisions. The rates shown in these exhibits are the monthly prices that employees will pay from County cafeteria plan contributions after negotiated County subsidies are subtracted from negotiated premium rates paid to carriers. For this reason, percentage increases in premium rates to be charged to employees as shown in the Exhibits, in many cases, may differ from the negotiated increases in premium to be paid to carriers as noted in this letter and in Attachment C.

#### Union Concurrence

On July 9, 2025, by video conference, the CCU and management representatives in the Labor-Management Employee Benefits Administration Committee voted unanimously to recommend the premium rates for the County-sponsored plans applicable to employees in the Choices plan, with the exception of Cigna. The County and CCU did not reach consensus in the initial voting on July 9, 2025, and later identified a discrepancy that Cigna made in their renewal rate. The County and CCU revoted by email on July 16, 2025, but again did not reach consensus. The County's position regarding Cigna is provided in the enclosed letter from Aon in Attachment A. The CCU's position regarding Cigna has been previously provided to your board and is enclosed under

Attachment D. A detailed explanation of this issue is included in the Facts and Provisions/Legal Requirements section below.

On July 9, 2025, by video conference, SEIU Local 721 and management representatives in the Labor-Management Benefits Administration Committee voted unanimously to recommend the premium rates for the County-sponsored plans applicable to employees in the Options plan.

#### Impact of the Affordable Care Act (ACA)

In general, the ACA enacted reforms to provide affordable health insurance to uninsured Americans. The health coverage offered to County employees more than meets the standards of the ACA.

As required by the U.S. Department of Labor, the County will continue to deliver an informational notice about the health insurance marketplaces in the County's benefits enrollment packages.

The Patient-Centered Outcomes Research Institute (PCORI) fee is a temporary fee imposed on health insurers and self-funded group health plans. The PCORI fee has been extended through 2029 by the Further Consolidated Appropriations Act with final payments due in 2030. PCORI is an independent, non-profit research organization, established by the ACA, to fund research that helps patients, their caregivers and clinicians make better-informed healthcare decision by improving the quality and relevance of evidence available for various treatment and prevention options. The 2025 fee will be increased for inflation, as determined by the Department of Health and Human Services and will be payable in 2026. The Managed Care Organization (MCO) tax, a California assessment on federal funds, which requires federal regulatory approval is effective through 2026. If any ACA-related State or federal fees or taxes, including, but not limited to, the PCORI or MCO taxes or fees, are changed, reinstated, suspended or imposed in 2026 due to changes in State or federal law or regulation after the date of the Board's approval of this letter, the 2026 rates shown in the attached rate exhibits will be equitably adjusted between the carriers and the County.

#### California Senate Bill 729 (SB 729)

All medical plans will comply with California SB 729 which mandates large group health insurance plans (with 100 or more employees) to cover the diagnosis and treatment of infertility and fertility services, including providing a maximum of three egg retrievals and unlimited embryo transfers starting January 1, 2026.

#### **Implementation of Strategic Plan Goals**

The recommended actions are consistent with the principles of the County of Los Angeles' Strategic Plan North Star 1 - Make Investments That Transform Lives – Focus Area Goal: Healthy Individuals and Families.

#### **FISCAL IMPACT/FINANCING**

Each cafeteria plan provides for a County contribution and, in most cases, an additional subsidy to help pay the cost of insurance benefits. Employees pay for benefit costs that exceed the County contributions through payroll deductions.

For employees in the Choices and Options plans, the County contributions and subsidies to the cafeteria plans are determined through the collective bargaining process. The County has reached a

tentative agreement for the 2026-2028 Fringe Benefits MOUs with CCU and SEIU Local 721. Two separate board letters detailing the CCU Fringe MOU and SEIU Fringe MOU agreements will be submitted for your Board's approval. The successor MOUs include an increase to the County contribution for the Choices and Options plans and an increased subsidy amount for the Choices plan. The proposed premium rates for employees in the Choices plan in Exhibit II reflect this increased subsidy amount for the employee-plus-one-dependent and employee-plus-two-or-more-dependents medical coverage tiers. Any increase in 2026 premium costs for group insurance recommended herein will be borne entirely by the affected employees.

To preserve internal equity, similar treatment will be extended to Flex and MegaFlex employees.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The general facts concerning 2026 premium rates for County-sponsored plans affecting both represented and non-represented employees are outlined below. The details of each carrier's County-sponsored medical, dental, and other insurance plan proposal, and Aon's evaluation and opinion concerning their justifications and terms of offer, are provided in Attachments A and B.

### **MEDICAL PLAN RATES UNDER CHOICES AND OPTIONS**

#### **Cigna Rates for 2026**

Based on Aon's recommendation at the July Employee Benefits Administrative Committee (EBAC) meeting, the management EBAC committee members moved and voted unanimously in favor of "flat" rates for Cigna in 2026, where the Point of Service (POS) and two Health Maintenance Organization (HMO) plans' rates are blended together. Under the "flat" rates, the Cigna HMO Full Network (which is the most populous of the three offerings) will increase 11.67 percent, the Cigna HMO Select Network will increase 11.63 percent, and the Cigna POS plan will increase 11.78 percent. The Coalition of County Unions (CCU) EBAC committee members voted unanimously in favor of "varied" rates, where each of the Cigna plans are rated separately for 2026. Under the "varied" rates, the Cigna full network HMO plan will increase by 12.78 percent, the HMO Select plan will increase by 7.2 percent and the POS plan will increase by 35.76 percent. The overall weighted increase will be 11.66 percent regardless of which rating method is chosen. Both motions failed due to not reaching consensus on the rates. In instances where consensus is not reached, it becomes a decision for the Board of Supervisors. In this case, the Board's determination regarding the Cigna pricing model is requested: Flat, which is recommended by the County and its consultant, Aon, or Varied, which is recommended by CCU EBAC committee members.

Management and Aon recommend the Board adopt the 2026 negotiated "flat" contract rates for the Cigna HMO Full Network, HMO Select Network, and POS plans, as doing so would keep all plan rates more affordable for employees.

Additionally, Aon believes that the "varied" rate approach is not supported for numerous reasons. A few notable reasons are:

1. The 2026 projected claim costs for the POS plan suggests that this plan is not exceeding the current premiums today and is not subsidized by the HMO plans (contrary to CCU's assertion).
2. Cigna deviated from their standard pricing methodology, which typically uses experience from all plans to develop the rates, and instead, used proprietary internal underwriting factors that are

undisclosed to the County.

3. The "varied rate" methodology would result in unjustified significant increases to the POS plan, which will make the plan unaffordable for most employees. It would effectively eliminate the only County-sponsored out-of-network option in the Choices plan, thus, limiting the broader selection of medical providers that employees might need.

4. The "varied rates" result in higher premium increases to the full network HMO plan and could drive membership from the full network into the select network HMO, causing additional concern for the sustainability of the full network HMO plan.

Aon's analysis and recommendation regarding the Cigna plans are provided within Attachment A. The rates for the Cigna plans in Exhibit I reflect the "flat" contract rates. If the Board so orders, the "flat" contract rates will be effective January 1, 2026, with an overall weighted increase of 11.66 percent.

#### Kaiser Rates for 2026

Kaiser's 2026 rates will increase 4.60 percent for the Choices plan and 4.31 percent for the Options plan. The 2026 rates include an upward premium adjustment of 1.5 percent that was applied pursuant to the two-way Risk Sharing Agreement (RSA) with Kaiser. The RSA enables the County to share in any savings based on their group's performance on future renewals, while limiting its risk of deficits. The reconciliation of the 2023 plan year resulted in a deficit capped at 3.0 percent of the 2023 premium collected. There was also a deficit carried forward from the prior reconciliation. Kaiser released the reconciliation of premiums, claims, and expenses associated with the plan for the 2024 plan year on August 15, 2025. Our actuary is reviewing the data provided. If the reconciliation results in any surpluses, they will be applied to the 2027 renewal rates to reduce the premium owed to Kaiser while shortfalls will increase the 2027 renewal rates.

#### UnitedHealthcare Benefit Plan Rates for 2026

The 2026 negotiated contract rates for the UnitedHealthcare (UHC) Signature Value HMO will increase 8.0 percent. The UHC Harmony Network HMO will increase 14.84 percent. The UHC PPO plan will increase 12.8 percent. The total overall weighted increase for the UHC plans is 9.77 percent for 2026.

Aon certifies that the 2026 rates for Kaiser and UnitedHealthcare are justified, but as noted in the justification section of this Board letter, Aon has expressed concern regarding the 2026 Cigna rates. Aon's assessments are provided within Attachment A.

#### Union-Sponsored Benefits Plan Rates for 2026

Premiums for County-approved union-sponsored plans will increase for 2026 by an average of 7.0 percent over 2025. The estimated increase in overall premiums paid to carriers in 2026, on behalf of the union-sponsored plans, is approximately \$~~27.3~~ 27.2 million. Proposed 2026 premium changes are summarized below:

1. ALADS Anthem Blue Cross plans, a 7.4 percent increase with the following benefits change:
  - CaliforniaCare HMO
    - o Increase the annual out-of-pocket maximum to \$1,000 for individual and 3,000 for

family (in-network)

- o Increase the retail prescription drug co-pay to \$10 for generic and \$20 for brand (in-network).

- Prudent Buyer PPO

- o Increase the annual deductible to \$500 for individual and \$1,500 for family (both in-network and out-of-network)

- o Increase the annual out-of-pocket maximum to \$1,000 for individual and \$3,000 for family (in-network)

- o Increase the retail prescription drug co-pay to \$10 for generic and \$20 for brand (in-network).

2. CAPE Blue Shield plans, a 7.1 percent increase.

3. Local 1014 plan, a 6.1 percent increase.

The subsidized rates to be paid by employees enrolled in union-sponsored plans are summarized in Exhibit V. Union-sponsored plans' 2026 rates are documented in the Union request letters attached to Exhibit V.

## DENTAL PLAN RATES FOR CHOICES AND OPTIONS

The recommended employee contribution rates for County-sponsored employee dental plans under Choices and Options are summarized in Exhibit I. The employee contribution rates shown for the Delta Dental PPO plan are Delta Dental's proposed rates for 2026, less current County subsidies included in the Fringe Benefits MOUs with CCU and SEIU Local 721. The rates for HMO-style dental plans (DeltaCare USA and MetLife/SafeGuard) are the negotiated rates.

The Delta Dental PPO rates will increase 6.50 percent for employees in the Choices plan and decrease 0.06 percent for employees in the Options plan. Delta Dental PPO's negotiated rates include a 9.0 percent rate cap for the Choices plan and a 4.0 percent rate cap for the Options plan for 2027.

DeltaCare USA rates will decrease 4.50 percent for both Choices and Options for 2026. DeltaCare USA's negotiated rates include a 4.0 percent rate cap for 2027.

MetLife/SafeGuard negotiations resulted in no increase for employees in the Choices and Options plans for 2026, and rates will remain unchanged from 2025. MetLife/SafeGuard's negotiated rates include a 2.0 percent rate cap for 2027 and 2028. Due to 2023 and 2024 MetLife/SafeGuard's Performance Guarantee penalties, MetLife/SafeGuard's billed rates that employees pay will be 1.0 percent less than the contract rates for 2026.

Aon certifies the 2026 dental rates as justified in Attachment A.

## OPTIONAL LIFE INSURANCE, DEPENDENT LIFE AND AD&D INSURANCE RATES UNDER CHOICES AND OPTIONS

AD&D insurance rates for Choices and Options employees in 2026 will remain unchanged from 2025, while the Optional Life and Dependent Life will increase 5.0 percent.

## BASIC TERM LIFE INSURANCE AND LONG-TERM DISABILITY HEALTH INSURANCE FOR CHOICES, OPTIONS, AND FLEX EMPLOYEES

For 2026, Basic Term Life and LTD Health Insurance for employees in the Choices, Options and Flex plans will remain unchanged from 2025.

#### MEDICAL PLAN RATES UNDER FLEX AND MEGAFLEX

Employees who participate in the Flex and MegaFlex Benefit plans have a choice between Kaiser and four Anthem Blue Cross health plans: an HMO; a POS; a PPO; and a Catastrophic Plan.

For 2026, the contract rates for the Anthem Blue Cross HMO and Anthem Blue Cross indemnity plans (POS, PPO and Catastrophic), will increase 4.48 percent from 2025.

Kaiser's 2026 rates will decrease 0.21 percent from the 2025 rates for Flex and MegaFlex employees.

The 2026 negotiated contract rates for the Kaiser Mid-Atlantic plan, available to CEO employees working in the Washington, DC area, are community rated and will increase 5.85 percent for 2026. There are currently two employees enrolled in this plan.

Aon has reviewed the proposed increases and recommends that the County accept the final 2026 renewals offered by Anthem Blue Cross and Kaiser. See Attachment B for their review and opinion.

We recommend that the Board continue the historical County practice of funding the difference between the negotiated contract cost of these plans and the contribution paid by the employees. The recommended employee contribution rates for Flex and MegaFlex employees are summarized in Exhibit II.

#### DENTAL PLAN RATES UNDER FLEX AND MEGAFLEX

The recommended employee contribution rates for County-sponsored Flex and MegaFlex employee dental plans are summarized in Exhibit II. The Delta Dental PPO rates have been reduced by the County subsidies previously approved by the Board. The rates for HMO-style dental plans (DeltaCare USA and MetLife/SafeGuard) are the negotiated rates with the carriers.

The Delta Dental PPO rates will increase 5.0 percent for 2026. Delta Dental PPO's negotiated rates include a 4.0 percent rate cap for 2027.

DeltaCare USA rates will decrease 4.5 percent for 2026. DeltaCare USA's negotiated rates include a 4.0 percent rate cap for 2027.

MetLife/SafeGuard negotiations resulted in no increase and 2026 rates will remain unchanged from 2025. MetLife/SafeGuard's negotiated rates include a 2.0 percent not to exceed rate cap for 2027 and 2028. MetLife/SafeGuard's billed rates will be 1.0 percent less than the full renewal rates for 2026 due to missed performance guarantees in previous years.

Aon certifies the dental rates as justified in Attachment B.

#### OPTIONAL LIFE INSURANCE, DEPENDENT LIFE AND DISABILITY INSURANCE, SHORT TERM DISABILITY, AND LTD RATES UNDER FLEX AND MEGAFLEX

The Honorable Board of Supervisors

9/9/2025

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The 2026 GVUL Life Insurance and Dependent Term Life rates for Flex and MegaFlex employees and SIB rates for MegaFlex employees will remain unchanged from the 2025 rates, as they are guaranteed through 2026.

AD&D Insurance rates and LTD rates for 2026 will also remain unchanged for Flex and MegaFlex employees. The STD rate for MegaFlex employees will also remain unchanged.

All life insurance rates for Flex and MegaFlex employees are shown in Exhibit III. The disability rates for Flex and MegaFlex employees are shown in Exhibit IV.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

No impact on current services.

Respectfully submitted,



FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:KLW

SRM:DC:TTP:rfm

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Human Resources  
Aon  
Coalition of County Unions  
SEIU Local 721

**COUNTY-SPONSORED  
MEDICAL AND DENTAL INSURANCE PLANS  
FOR CHOICES AND OPTIONS PLAN EMPLOYEES  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

| Plan                     | Option              | Coverage Category <sup>a</sup> | Current 2025 Rates <sup>b</sup> | Proposed 2026 Rates <sup>b</sup> | Percentage Change |
|--------------------------|---------------------|--------------------------------|---------------------------------|----------------------------------|-------------------|
| CIGNA Choices            | Select Network HMO  | 1                              | \$ 910.14                       | \$ 1,016.42                      | 11.7%             |
|                          |                     | 2                              | \$ 1,824.27                     | \$ 2,027.11                      | 11.1%             |
|                          |                     | 3                              | \$ 2,099.77                     | \$ 2,333.66                      | 11.1%             |
|                          | Full Network HMO    | 1                              | \$ 1,256.50                     | \$ 1,403.58                      | 11.7%             |
|                          |                     | 2                              | \$ 2,520.89                     | \$ 2,805.80                      | 11.3%             |
|                          |                     | 3                              | \$ 2,901.88                     | \$ 3,230.25                      | 11.3%             |
|                          | Network POS         | 1                              | \$ 2,256.58                     | \$ 2,522.41                      | 11.8%             |
|                          |                     | 2                              | \$ 4,026.49                     | \$ 4,491.09                      | 11.5%             |
|                          |                     | 3                              | \$ 4,223.82                     | \$ 4,711.67                      | 11.5%             |
| CIGNA Options            | Full Network HMO    | 1                              | \$ 1,250.50                     | \$ 1,397.58                      | 11.8%             |
|                          |                     | 2                              | \$ 2,517.33                     | \$ 2,812.60                      | 11.7%             |
|                          |                     | 3                              | \$ 2,896.32                     | \$ 3,235.05                      | 11.7%             |
|                          | Network POS         | 1                              | \$ 2,250.58                     | \$ 2,516.41                      | 11.8%             |
|                          |                     | 2                              | \$ 4,022.93                     | \$ 4,497.89                      | 11.8%             |
|                          |                     | 3                              | \$ 4,218.26                     | \$ 4,716.47                      | 11.8%             |
| KAISER Choices           |                     | 1                              | \$ 1,019.21                     | \$ 1,066.11                      | 4.6%              |
|                          |                     | 2                              | \$ 2,032.98                     | \$ 2,116.42                      | 4.1%              |
|                          |                     | 3                              | \$ 2,359.14                     | \$ 2,457.57                      | 4.2%              |
| KAISER Options           |                     | 1                              | \$ 972.91                       | \$ 1,015.09                      | 4.3%              |
|                          |                     | 2                              | \$ 1,948.82                     | \$ 2,033.18                      | 4.3%              |
|                          |                     | 3                              | \$ 2,260.06                     | \$ 2,357.93                      | 4.3%              |
| UNITEDHEALTHCARE Options | Signature Value HMO | 1                              | \$ 1,039.73                     | \$ 1,123.39                      | 8.0%              |
|                          |                     | 2                              | \$ 2,104.00                     | \$ 2,273.04                      | 8.0%              |
|                          |                     | 3                              | \$ 2,437.04                     | \$ 2,632.88                      | 8.0%              |
|                          | Harmony HMO         | 1                              | \$ 764.35                       | \$ 878.74                        | 15.0%             |
|                          |                     | 2                              | \$ 1,547.75                     | \$ 1,778.77                      | 14.9%             |
|                          |                     | 3                              | \$ 1,792.66                     | \$ 2,060.32                      | 14.9%             |
|                          | PPO                 | 1                              | \$ 1,507.87                     | \$ 1,701.65                      | 12.9%             |
|                          |                     | 2                              | \$ 3,048.23                     | \$ 3,439.56                      | 12.8%             |
|                          |                     | 3                              | \$ 3,531.34                     | \$ 3,984.77                      | 12.8%             |

<sup>a</sup> 1 = Employee only  
2 = Employee + 1 Dependent  
3 = Employee + 2 or more Dependents

<sup>b</sup> Rates reflect current negotiated County subsidies for Options. The 2026 Choices medical subsidies are subject to Board approval. Cigna, Kaiser, and UnitedHealthCare rates include current mandatory Federal healthcare reform taxes and fees.

**COUNTY-SPONSORED  
MEDICAL AND DENTAL INSURANCE PLANS  
FOR CHOICES AND OPTIONS PLAN EMPLOYEES  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

| Plan                                                | Option | Coverage<br>Category <sup>a</sup> | Current<br>2025 Rates <sup>b</sup> | Proposed<br>2026 Rates <sup>b</sup> | Percentage<br>Change |
|-----------------------------------------------------|--------|-----------------------------------|------------------------------------|-------------------------------------|----------------------|
| DELTA DENTAL <sup>b</sup><br>Choices                |        | 1                                 | \$ 23.58                           | \$ 26.45                            | 12.2%                |
|                                                     |        | 2                                 | \$ 39.45                           | \$ 44.36                            | 12.4%                |
|                                                     |        | 3                                 | \$ 59.15                           | \$ 66.67                            | 12.7%                |
| DELTA DENTAL <sup>b</sup><br>Options                |        | 1                                 | \$ 32.75                           | \$ 32.72                            | -0.1%                |
|                                                     |        | 2                                 | \$ 54.70                           | \$ 54.65                            | -0.1%                |
|                                                     |        | 3                                 | \$ 82.18                           | \$ 82.10                            | -0.1%                |
| DELTACARE USA<br>Choices & Options                  |        | 1                                 | \$ 14.21                           | \$13.57                             | -4.5%                |
|                                                     |        | 2                                 | \$ 23.45                           | \$22.39                             | -4.5%                |
|                                                     |        | 3                                 | \$ 34.75                           | \$33.19                             | -4.5%                |
| METLIFE/SAFEGUARD <sup>c</sup><br>Choices & Options |        | 1                                 | \$ 10.50                           | \$10.33                             | -1.6%                |
|                                                     |        | 2                                 | \$ 20.24                           | \$20.07                             | -0.8%                |
|                                                     |        | 3                                 | \$ 26.29                           | \$26.12                             | -0.6%                |

<sup>a</sup> 1 = Employee only

2 = Employee + 1 Dependent

3 = Employee + 2 or more Dependents

<sup>b</sup> Delta Dental rates reflect negotiated County subsidies.

<sup>c</sup> MetLife/SafeGuard's 2026 renewal "billed" rates include a \$0.03 reduction of the negotiated 2026 rates due to the County for 2023 performance results and an \$0.14 reduction of the negotiated 2026 rates due to the County for 2024 performance results, for a total of \$0.17 reduction.

**COUNTY-SPONSORED  
MEDICAL AND DENTAL INSURANCE PLANS  
FOR FLEX AND MEGAFLEX EMPLOYEES  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

| Plan                                            | Option             | Coverage<br>Category <sup>a</sup> | Current<br>2025 Rates <sup>b</sup> | Proposed<br>2026 Rates <sup>b</sup> | Percentage Change |
|-------------------------------------------------|--------------------|-----------------------------------|------------------------------------|-------------------------------------|-------------------|
| ANTHEM BLUE CROSS                               | CaliforniaCare HMO | 1                                 | \$ 417.00                          | \$ 417.00                           | 0.0%              |
|                                                 |                    | 2                                 | \$ 816.00                          | \$ 816.00                           | 0.0%              |
|                                                 |                    | 3                                 | \$ 857.00                          | \$ 857.00                           | 0.0%              |
|                                                 |                    | 4                                 | \$ 967.00                          | \$ 967.00                           | 0.0%              |
|                                                 | PLUS POS           | 1                                 | \$ 628.00                          | \$ 628.00                           | 0.0%              |
|                                                 |                    | 2                                 | \$ 1,267.00                        | \$ 1,267.00                         | 0.0%              |
|                                                 |                    | 3                                 | \$ 1,425.00                        | \$ 1,425.00                         | 0.0%              |
|                                                 |                    | 4                                 | \$ 1,443.00                        | \$ 1,443.00                         | 0.0%              |
|                                                 | Catastrophic       | 1                                 | \$ 105.00                          | \$ 105.00                           | 0.0%              |
|                                                 |                    | 2                                 | \$ 649.00                          | \$ 649.00                           | 0.0%              |
|                                                 |                    | 3                                 | \$ 659.00                          | \$ 659.00                           | 0.0%              |
|                                                 |                    | 4                                 | \$ 761.00                          | \$ 761.00                           | 0.0%              |
|                                                 | Prudent Buyer PPO  | 1                                 | \$ 806.00                          | \$ 806.00                           | 0.0%              |
|                                                 |                    | 2                                 | \$ 1,479.00                        | \$ 1,479.00                         | 0.0%              |
|                                                 |                    | 3                                 | \$ 1,533.00                        | \$ 1,533.00                         | 0.0%              |
|                                                 |                    | 4                                 | \$ 1,780.00                        | \$ 1,780.00                         | 0.0%              |
| KAISER<br>Flex/Megaflex                         |                    | 1                                 | \$ 417.00                          | \$ 417.00                           | 0.0%              |
|                                                 |                    | 2                                 | \$ 816.00                          | \$ 816.00                           | 0.0%              |
|                                                 |                    | 3                                 | \$ 857.00                          | \$ 857.00                           | 0.0%              |
|                                                 |                    | 4                                 | \$ 967.00                          | \$ 967.00                           | 0.0%              |
| KAISER -<br>MID-ATLANTIC                        |                    | 1                                 | \$ 445.00                          | \$ 445.00                           | 0.0%              |
|                                                 |                    | 2                                 | \$ 867.00                          | \$ 867.00                           | 0.0%              |
|                                                 |                    | 3                                 | \$ 935.00                          | \$ 935.00                           | 0.0%              |
|                                                 |                    | 4                                 | \$ 1,324.00                        | \$ 1,324.00                         | 0.0%              |
| DELTA DENTAL<br>Flex/Megaflex                   |                    | 1                                 | \$ 27.12                           | \$ 29.53                            | 8.9%              |
|                                                 |                    | 2                                 | \$ 42.30                           | \$ 46.81                            | 10.7%             |
|                                                 |                    | 3                                 | \$ 46.08                           | \$ 50.41                            | 9.4%              |
|                                                 |                    | 4                                 | \$ 68.95                           | \$ 75.46                            | 9.4%              |
| DELTACARE USA<br>Flex/Megaflex                  |                    | 1                                 | \$ 14.21                           | \$ 13.57                            | -4.5%             |
|                                                 |                    | 2                                 | \$ 24.57                           | \$ 23.46                            | -4.5%             |
|                                                 |                    | 3                                 | \$ 24.38                           | \$ 23.28                            | -4.5%             |
|                                                 |                    | 4                                 | \$ 35.40                           | \$ 33.81                            | -4.5%             |
| METLIFE/SAFEGUARD <sup>c</sup><br>Flex/Megaflex |                    | 1                                 | \$ 10.50                           | \$ 10.33                            | -1.6%             |
|                                                 |                    | 2                                 | \$ 19.65                           | \$ 19.48                            | -0.9%             |
|                                                 |                    | 3                                 | \$ 22.15                           | \$ 21.98                            | -0.8%             |
|                                                 |                    | 4                                 | \$ 28.91                           | \$ 28.74                            | -0.6%             |

<sup>a</sup> 1 = Employee only

2 = Employee + Child(ren)

3 = Employee + Spouse

4 = Employee + Spouse + Child(ren)

<sup>b</sup> Rates, where applicable, are net of County subsidy; except that the premium charged to an employee whose benefits are subject to COBRA is the carrier quoted rate plus an administrative charge as prescribed by COBRA.

Anthem Blue Cross rates include the cost of the 360° health programs and the cost of the vision benefit for the HMO, POS, and PPO.

Anthem Blue Cross and Kaiser rates include current mandatory Federal healthcare reform taxes and fees.

<sup>c</sup> MetLife/SafeGuard's 2026 renewal "billed" rates include a \$0.03 reduction of the negotiated 2026 rates due to the County for 2023 performance results and an \$0.14 reduction of the negotiated 2026 rates due to the County for 2024 performance results, for a total of \$0.17 reduction.

**LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT  
AND SURVIVOR INCOME BENEFIT PROGRAMS  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

|                                                    | <b>Monthly Cost per<br/>\$1,000 of Insurance</b> |                                |
|----------------------------------------------------|--------------------------------------------------|--------------------------------|
|                                                    | <b><u>2025<sup>a</sup></u></b>                   | <b><u>2026<sup>a</sup></u></b> |
| <b>COUNTY-PAID BASIC GROUP TERM-LIFE INSURANCE</b> | \$0.221                                          | \$0.221                        |

**OPTIONAL GROUP TERM LIFE INSURANCE  
FOR CHOICES AND OPTIONS EMPLOYEES**

**Employee:** The monthly premium per \$1,000 of insurance is based on the employee's age as shown in the following table:

| <b><u>Age</u></b> | <b><u>2025<sup>a</sup></u></b> | <b><u>2026<sup>a</sup></u></b> |
|-------------------|--------------------------------|--------------------------------|
| Less than 30      | \$0.033                        | \$0.0347                       |
| 30-34             | \$0.056                        | \$0.0588                       |
| 35-39             | \$0.063                        | \$0.0662                       |
| 40-44             | \$0.071                        | \$0.0746                       |
| 45-49             | \$0.105                        | \$0.1103                       |
| 50-54             | \$0.162                        | \$0.1701                       |
| 55-59             | \$0.304                        | \$0.3192                       |
| 60-64             | \$0.466                        | \$0.4893                       |
| 65-69             | \$0.664                        | \$0.6972                       |
| 70 and over       | \$1.278                        | \$1.3419                       |

**Dependent Term Life Insurance:**

Cost per month per \$5,000 of coverage, no matter how many eligible dependents employee may have. Coverage is offered in increments of \$5,000 up to \$20,000. Dependent coverage cost is charged to the employee.

| <b><u>2025</u></b> | <b><u>2026</u></b> |
|--------------------|--------------------|
| \$0.832            | \$0.8736           |

<sup>a</sup> The County subsidizes 15% of the monthly premium.

**LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT  
AND SURVIVOR INCOME BENEFIT PROGRAMS  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

**OPTIONAL ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE - Cost per Month**

| Employee<br>Coverage | Current 2025 Rates             |                                           | Approved 2026 Rates            |                                           |
|----------------------|--------------------------------|-------------------------------------------|--------------------------------|-------------------------------------------|
|                      | Employee Only<br><u>Plan G</u> | Employee &<br>Dependents<br><u>Plan H</u> | Employee Only<br><u>Plan G</u> | Employee &<br>Dependents<br><u>Plan H</u> |
| \$ 10,000            | \$0.124                        | \$0.238                                   | \$0.124                        | \$0.238                                   |
| \$ 25,000            | \$0.310                        | \$0.595                                   | \$0.310                        | \$0.595                                   |
| \$ 50,000            | \$0.620                        | \$1.190                                   | \$0.620                        | \$1.190                                   |
| \$100,000            | \$1.240                        | \$2.380                                   | \$1.240                        | \$2.380                                   |
| \$150,000            | \$1.860                        | \$3.570                                   | \$1.860                        | \$3.570                                   |
| \$200,000            | \$2.480                        | \$4.760                                   | \$2.480                        | \$4.760                                   |
| \$250,000            | \$3.100                        | \$5.950                                   | \$3.100                        | \$5.950                                   |
| \$300,000            | \$3.720                        | \$7.140                                   | \$3.720                        | \$7.140                                   |
| \$350,000            | \$4.340                        | \$8.330                                   | \$4.340                        | \$8.330                                   |

These figures apply regardless of employee's age. If Plan H is selected, all eligible dependents will be insured automatically.

The maximum insurance coverage amount for represented participants is \$250,000.

**LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT  
AND SURVIVOR INCOME BENEFIT PROGRAMS  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

**OPTIONAL GROUP VARIABLE UNIVERSAL LIFE INSURANCE  
FOR FLEX AND MEGAFLEX PARTICIPANTS**

**Employee:** The monthly premium per \$1,000 of insurance is based on the employee's age as shown in the following table:

| <u>Age</u> | <u>2026 Rate*</u> | <u>Age</u> | <u>2026 Rate*</u> | <u>Age</u> | <u>2026 Rate*</u> |
|------------|-------------------|------------|-------------------|------------|-------------------|
| 20-24      | \$0.037           | 57         | \$0.268           | 77**       | \$2.203           |
| 25-29      | \$0.045           | 58         | \$0.301           | 78**       | \$2.262           |
| 30-34      | \$0.054           | 59         | \$0.337           | 79**       | \$2.548           |
| 35-39      | \$0.055           | 60         | \$0.386           | 80**       | \$3.290           |
| 40         | \$0.063           | 61         | \$0.436           | 81**       | \$3.797           |
| 41-42      | \$0.064           | 62         | \$0.481           | 82**       | \$4.141           |
| 43         | \$0.071           | 63         | \$0.517           | 83**       | \$4.515           |
| 44         | \$0.081           | 64         | \$0.573           | 84**       | \$4.919           |
| 45         | \$0.090           | 65         | \$0.595           | 85**       | \$5.368           |
| 46         | \$0.099           | 66         | \$0.669           | 86**       | \$5.837           |
| 47         | \$0.106           | 67         | \$0.711           | 87**       | \$6.350           |
| 48         | \$0.125           | 68         | \$0.792           | 88**       | \$6.901           |
| 49         | \$0.133           | 69         | \$0.880           | 89**       | \$7.468           |
| 50         | \$0.142           | 70         | \$0.969           | 90**       | \$8.046           |
| 51         | \$0.160           | 71         | \$1.071           | 91**       | \$8.655           |
| 52         | \$0.168           | 72         | \$1.190           | 92**       | \$9.280           |
| 53         | \$0.185           | 73         | \$1.306           | 93**       | \$9.926           |
| 54         | \$0.203           | 74         | \$1.445           | 94**       | \$10.581          |
| 55         | \$0.230           | 75         | \$1.593           |            |                   |
| 56         | \$0.248           | 76**       | \$1.769           |            |                   |

\* Employee cost for MegaFlex employees is half of actual premium. The County pays the other 50%.

\*\* For employees age 76-94 who remain in County service and who now participate in the MetLife GVUL Plan, County will subsidize the difference between the employee's cost of coverage using the premiums for the employee's actual age and cost of coverage using age 75 rate.

**LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT  
AND SURVIVOR INCOME BENEFIT PROGRAMS  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

**Dependent Term Life Insurance for Flex and MegaFlex Participants**

Cost per month per \$5,000 of dependent life coverage,  
up to \$20,000.

**2026 Rate**  
\$1.03

**SURVIVOR INCOME BENEFIT - For MegaFlex participants enrolled in Retirement Plan E**

| <u>Employee Age</u> | <b>2026 Rates</b>   |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                     | Employee Cost*      |                     |                     |                     |                     |
|                     | <u>(10% Option)</u> | <u>(15% Option)</u> | <u>(25% Option)</u> | <u>(35% Option)</u> | <u>(50% Option)</u> |
| Under 30            | 0.050%              | 0.080%              | 0.135%              | 0.185%              | 0.260%              |
| 30 to 34            | 0.070%              | 0.105%              | 0.170%              | 0.240%              | 0.345%              |
| 35 to 39            | 0.090%              | 0.135%              | 0.220%              | 0.315%              | 0.450%              |
| 40 to 44            | 0.125%              | 0.185%              | 0.315%              | 0.435%              | 0.620%              |
| 45 to 49            | 0.170%              | 0.250%              | 0.420%              | 0.585%              | 0.840%              |
| 50 to 54            | 0.220%              | 0.335%              | 0.555%              | 0.780%              | 1.110%              |
| 55 to 59            | 0.320%              | 0.480%              | 0.795%              | 1.125%              | 1.605%              |
| 60 to 64            | 0.435%              | 0.655%              | 1.090%              | 1.530%              | 2.185%              |
| 65 to 69            | 0.600%              | 0.900%              | 1.500%              | 2.100%              | 3.000%              |
| 70 and over         | 1.065%              | 1.600%              | 2.665%              | 3.730%              | 5.330%              |

\* Employee cost for MegaFlex is half of the actual premium. The County pays the other 50%.

**SHORT-TERM DISABILITY, LONG-TERM DISABILITY  
AND LONG-TERM DISABILITY HEALTH INSURANCE  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

**MEGAFLEX SHORT-TERM DISABILITY PLAN**

**Employee Cost as a Percentage of Monthly Salary:**

| <b>Current 2025<br/>Rates</b> |                           |             | <b>Proposed 2026<br/>Rates</b> |                           |             |
|-------------------------------|---------------------------|-------------|--------------------------------|---------------------------|-------------|
| <u>Income<br/>Replacement</u> | <u>Waiting<br/>Period</u> | <u>Cost</u> | <u>Income<br/>Replacement</u>  | <u>Waiting<br/>Period</u> | <u>Cost</u> |
| 70%                           | 14 Days                   | 0.000%      | 70%                            | 14 Days                   | 0.000%      |
| 100%*                         | 7 Days                    | 0.309%      | 100%*                          | 7 Days                    | 0.309%      |

\* Reduced to 80% after 21 days

**MEGAFLEX LONG-TERM DISABILITY PLAN**

**Employee Cost as a Percentage of Monthly Salary:**

| <u>Income<br/>Replacement</u> | <b>Current 2025 Rates</b>             |                            | <u>Income<br/>Replacement</u> | <b>Proposed 2026 Rates</b>            |                            |
|-------------------------------|---------------------------------------|----------------------------|-------------------------------|---------------------------------------|----------------------------|
|                               | <u>Plan E + *<br/>Retirement Plan</u> | <u>All Other<br/>Plans</u> |                               | <u>Plan E + *<br/>Retirement Plan</u> | <u>All Other<br/>Plans</u> |
| 40%                           | 0.000%                                | 0.056%                     | 40%                           | 0.000%                                | 0.056%                     |
| 60%                           | 0.125%                                | 0.182%                     | 60%                           | 0.125%                                | 0.182%                     |

\* Plan E plus 5 or more years of continuous service

**SHORT-TERM DISABILITY, LONG-TERM DISABILITY  
AND LONG-TERM DISABILITY HEALTH INSURANCE  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

**LONG-TERM DISABILITY HEALTH INSURANCE - Cost per month**

**For Flex and MegaFlex Employees**

| <b><u>Current 2025 Rate</u></b> |                          | <b><u>Proposed 2026 Rate</u></b> |                          |
|---------------------------------|--------------------------|----------------------------------|--------------------------|
| 75 % Premium<br>Payment         | 100 % Premium<br>Payment | 75 % Premium<br>Payment          | 100 % Premium<br>Payment |
| \$0.00                          | \$4.75                   | \$0.00                           | \$4.75                   |

**For Choices and Options Employees**

| <b><u>Current 2025 Rate</u></b> |                          | <b><u>Proposed 2026 Rate</u></b> |                          |
|---------------------------------|--------------------------|----------------------------------|--------------------------|
| 75 % Premium<br>Payment         | 100 % Premium<br>Payment | 75 % Premium<br>Payment          | 100 % Premium<br>Payment |
| \$0.00                          | \$4.75                   | \$0.00                           | \$4.75                   |

**UNION-SPONSORED  
MEDICAL AND DENTAL INSURANCE PLANS  
CURRENT 2025 RATES AND PROPOSED 2026 RATES**

REVISED

| Plan                          | Option                                                | Coverage<br>Category <sup>a</sup> | Current<br>2025 Rates <sup>b</sup> | Proposed<br>2026 Rates <sup>b</sup> | Percentage<br>Change |
|-------------------------------|-------------------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|----------------------|
| ALADS<br>Blue Cross           | Prudent Buyer Plan<br>Under Age 50                    | 1                                 | \$ 1,235.02                        | \$ 1,324.09                         | 7.2%                 |
|                               |                                                       | 2                                 | \$ 2,411.07                        | \$ 2,573.90                         | 6.8%                 |
|                               |                                                       | 3                                 | \$ 2,888.00                        | \$ 3,078.63                         | 6.6%                 |
|                               | Prudent Buyer Plan<br>Age 50 and Over                 | 1                                 | \$ 1,235.02                        | \$ 1,324.09                         | 7.2%                 |
|                               |                                                       | 2                                 | \$ 2,411.07                        | \$ 2,573.90                         | 6.8%                 |
|                               |                                                       | 3                                 | \$ 2,888.00                        | \$ 3,078.63                         | 6.6%                 |
|                               | CaliforniaCare<br>Basic Plan<br>(All Ages)            | 1                                 | \$ 944.96                          | \$ 1,013.15                         | 7.2%                 |
|                               |                                                       | 2                                 | \$ 1,950.02                        | \$ 2,084.93                         | 6.9%                 |
|                               |                                                       | 3                                 | \$ 2,342.31                        | \$ 2,505.54                         | 7.0%                 |
|                               | Prudent Buyer Plan<br>Premier Plan<br>Under Age 50    | 1                                 | \$ 1,258.60                        | \$ 1,350.54                         | 7.3%                 |
|                               |                                                       | 2                                 | \$ 2,450.52                        | \$ 2,618.26                         | 6.8%                 |
|                               |                                                       | 3                                 | \$ 2,947.15                        | \$ 3,145.30                         | 6.7%                 |
|                               | Prudent Buyer Plan<br>Premier Plan<br>Age 50 and Over | 1                                 | \$ 1,258.60                        | \$ 1,350.54                         | 7.3%                 |
|                               |                                                       | 2                                 | \$ 2,450.52                        | \$ 2,618.26                         | 6.8%                 |
|                               |                                                       | 3                                 | \$ 2,947.15                        | \$ 3,145.30                         | 6.7%                 |
|                               | CaliforniaCare<br>Premier Plan<br>(All Ages)          | 1                                 | \$ 968.54                          | \$ 1,039.60                         | 7.3%                 |
|                               |                                                       | 2                                 | \$ 1,989.47                        | \$ 2,129.29                         | 7.0%                 |
|                               |                                                       | 3                                 | \$ 2,401.46                        | \$ 2,572.21                         | 7.1%                 |
|                               | CAPE (Choices)<br>Blue Shield                         | 1                                 | \$ 2,139.37                        | \$ 2,292.71                         | 7.2%                 |
|                               |                                                       | 2                                 | \$ 4,143.28                        | \$ 4,432.96                         | 7.0%                 |
|                               |                                                       | 3                                 | \$ 4,918.46                        | \$ 5,266.34                         | 7.1%                 |
|                               | Lite                                                  | 1                                 | \$ 927.71                          | \$ 1,017.88                         | 9.7%                 |
|                               |                                                       | 2                                 | \$ 1,853.63                        | \$ 1,987.92                         | 7.2%                 |
|                               |                                                       | 3                                 | \$ 2,327.40                        | \$ 2,457.52                         | 5.6%                 |
|                               | PPO<br>(Out-of-state only)                            | 1                                 | \$ 2,139.37                        | \$ 2,292.71                         | 7.2%                 |
|                               |                                                       | 2                                 | \$ 4,143.28                        | \$ 4,432.96                         | 7.0%                 |
|                               |                                                       | 3                                 | \$ 4,918.46                        | \$ 5,266.34                         | 7.1%                 |
| CAPE (Options)<br>Blue Shield | Classic                                               | 1                                 | \$ 2,133.37                        | \$ 2,286.71                         | 7.2%                 |
|                               |                                                       | 2                                 | \$ 4,139.72                        | \$ 4,439.76                         | 7.2%                 |
|                               |                                                       | 3                                 | \$ 4,912.90                        | \$ 5,271.14                         | 7.3%                 |
|                               | Lite                                                  | 1                                 | \$ 921.71                          | \$ 1,011.88                         | 9.8%                 |
|                               |                                                       | 2                                 | \$ 1,850.07                        | \$ 1,994.72                         | 7.8%                 |
|                               |                                                       | 3                                 | \$ 2,321.84                        | \$ 2,462.32                         | 6.1%                 |
|                               | PPO<br>(Out-of-state only)                            | 1                                 | \$ 2,133.37                        | \$ 2,286.71                         | 7.2%                 |
|                               |                                                       | 2                                 | \$ 4,139.72                        | \$ 4,439.76                         | 7.2%                 |
|                               |                                                       | 3                                 | \$ 4,912.90                        | \$ 5,271.14                         | 7.3%                 |
| FIREFIGHTERS LOCAL 1014       |                                                       | 1                                 | \$ 1,101.00                        | \$ 1,168.00                         | 6.1%                 |
|                               |                                                       | 2                                 | \$ 2,093.56                        | \$ 2,211.20                         | 5.6%                 |
|                               |                                                       | 3                                 | \$ 2,490.56                        | \$ 2,632.20                         | 5.7%                 |

<sup>a</sup> 1 = Employee only

2 = Employee + 1 Dependent

3 = Employee + 2 or more Dependents

<sup>b</sup> The 2026 rates reflect proposed 2026 Choices subsidies, which are subject to Board approval. The 2025 rates reflect current negotiated County subsidies.

## **ENCLOSURES TO EXHIBIT V**

1. Association for Los Angeles Deputy Sheriffs Request
2. California Association of Professional Employees Request
3. Los Angeles County Fire Fighters Local 1014 Request

# ALADS Insurance Trust

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9500 Topanga Canyon Blvd. Chatsworth, CA 91311  
Tel (818) 678-0040 (800) 842-6635 Fax (818)678-0030

September 5, 2025

VIA U.S. MAIL AND E-MAIL: [BKemper@hr.lacounty.gov](mailto:BKemper@hr.lacounty.gov)

Ms. Lisa M. Garrett, Director of Personnel  
County of Los Angeles  
Hall of Administration, Room 579  
500 West Temple Street  
Los Angeles, California 90012

Attention: Mr. Ben Kemper, Senior Human Resources Manager  
Employee Benefits Division  
10 South Vermont Avenue, 12<sup>th</sup> Floor  
Los Angeles, California 90020

## RE: ALADS/ANTHEM BLUE CROSS 2026 HEALTHCARE PLAN PREMIUMS

Dear Mr. Kemper:

The following are the monthly premium rates for the ALADS Anthem Blue Cross Prudent Buyer and CaliforniaCare medical and dental plans for the 2026 plan year:

| Plan                   | Employee   | Employee + 1 | Employee + 2 |
|------------------------|------------|--------------|--------------|
| Prudent Buyer Basic    | \$1,324.09 | \$2,589.70   | \$3,094.43   |
| Prudent Buyer Premier  | \$1,350.54 | \$2,634.06   | \$3,161.10   |
| CaliforniaCare Basic   | \$1,013.15 | \$2,100.73   | \$2,521.34   |
| CaliforniaCare Premier | \$1,039.60 | \$2,145.09   | \$2,588.01   |

As previously communicated, the following are the plan changes for the ALADS Anthem Blue Cross Prudent Buyer and CaliforniaCare medical plans for the 2026 plan year:

### CaliforniaCare HMO

- Increase the Annual Out-of-Pocket Maximum to **\$1,000 individual/\$3,000 family** (In-Network)
- Increase the Retail Prescription Drug copay to **\$10 generic/\$20 brand** (In-Network)

### Prudent Buyer PPO

- Increase the Annual Deductible to **\$500 individual/\$1,500 family** (Combined for In-Network and Out-of-Network)

Ms. Lisa M. Garrett,  
September 5, 2025  
Page 2 of 2

- Increase the Annual Out-of-Pocket Maximum to **\$1,000 individual/\$3,000 family** (In-Network)
- Increase the Retail Prescription Drug copay to **\$10 generic/\$20 brand** (In-Network)

Please let me know if you have any questions.

Sincerely,



Derek Hsieh  
ALADS Trust Administrator

cc: Julieanna Garcia-Jimenez [JGarcia-Jimenez@Hr.LACounty.gov](mailto:JGarcia-Jimenez@Hr.LACounty.gov)



July 24, 2025

Ben Kemper  
 Senior Human Resources Manager  
 Employee Benefits Division  
 Department of Human Resources  
 County of Los Angeles  
 510 S. Vermont Ave., 12<sup>th</sup> Floor  
 Los Angeles, CA 90020

Re: 2026 RENEWAL - CAPE/BLUE SHIELD MEDICAL PLANS

Dear Mr. Kemper:

This letter is to advise you of the CAPE Benefit Trust Board of Trustees' approval of the renewal of Blue Shield's contracts for the year 2026 for the CAPE/Blue Shield Point of Service Lite, Classic and the out-of-state PPO COBRA medical plans. The average increase across all three tiers is 8% for the Lite and 7.13% for the Classic and PPO COBRA plans. As requested in previous years since approximately 98% of our membership is in the Lite plan, we are requesting that the County list the Lite plan above the Classic in all the County's Annual Enrollment materials.

|            | LITE       | CLASSIC           |
|------------|------------|-------------------|
| Single:    | \$1,017.88 | \$2,292.71        |
| Two-party: | \$2,003.72 | <b>\$4,448.76</b> |
| Family:    | \$2,473.32 | <b>\$5,282.14</b> |

The out-of-state COBRA PPO rates are the same as Classic. There are no other core benefit changes other than adding the mandated SB729 infertility coverage effective 1/1/26 and any other mandated regulatory changes. We would appreciate your forwarding the 2026 CAPE/Blue Shield medical plans' information to the Board of Supervisors for their timely approval.

Sincerely,

*Nelson Manabat*

Nelson Manabat  
 Chairperson  
 CAPE Benefit Trust Board of Trustees



## Los ANGELES CouNTY FIRE FIGHTERS LOCAL 1014 HEALTH AND WELFARE PLAN

3460 FLETCHER AVENUE • EL MONTE, CALIFORNIA 91731  
(310) 639-1014 (800) 660-1014 (within California)



June 25, 2025

Mr. Ben Kemper  
Senior Human Resources Manager  
Department of Human Resources  
Employee Benefits Division  
510 S. Vermont Avenue, 12<sup>th</sup> Floor  
Los Angeles, CA 90020

### Plan Year 2026 Employee Insurance Information Los Angeles County Fire Fighters Local 1014 Health and Welfare Plan

Dear Mr. Kemper:

I am providing the plan year 2026 premium changes that were approved by the Board of Trustees.

After conferring with Mercer, the Plan's consultant, the Board of Trustees approved a 6.10% premium increase for 2026. Our monthly rates for 2026, rounded to the nearest dollar are as follows:

|                            |                   |
|----------------------------|-------------------|
| <b>Member Only</b>         | <b>\$1,168.00</b> |
| <b>Member+ 1 Dependent</b> | <b>\$2,227.00</b> |
| <b>Family</b>              | <b>\$2,648.00</b> |

Should you have any questions, please contact me at (800) 660-1014 or by e-mail at [ssoliai@local1014.org](mailto:ssoliai@local1014.org).

Sincerely,

Dr. Shalaura Soliai  
Plan Administrator, CEO

c: Local 1014 Health Plan Trustees



August 8, 2025

Mr. Ben Kemper  
Senior HR Manager  
**County of Los Angeles**  
510 South Vermont Avenue, 12<sup>th</sup> Floor  
Los Angeles, CA 90020

Delivered via email.

**Subject: Summary** of 2026 Renewal Results and Recommendations (Choices and Options Plans)

Dear Ben:

The following letter summarizes the 2026 renewal proposals for medical, dental, life and accidental death & dismemberment (AD&D) plans offered to the Choices and Options employees at the County of Los Angeles (the County), including our analysis, observations, and recommendations. The renewal request and negotiation process are outlined in the attached Addendum.

Renewal costs include the Patient-Centered Outreach Research Institute (PCORI) Fee imposed under the Affordable Care Act (ACA). The PCORI fees for the 2026 renewal had a minimal impact on the renewal. The PCORI fees increased the rates for each carrier as listed below:

- Kaiser's rates increased by approximately 0.04%
- CIGNA rates increased by approximately 0.03%
- UHC rates increased by approximately 0.04%

Delta Dental does not have an additional cost increase to account for the Managed Care Assessment Tax. For the MetLife dental plan, the additional cost increase to account for the Managed Care Assessment Tax is 0.88%.

Fees imposed under the Affordable Care Act (ACA) have changed over time. The Health Insurance Industry Fee was repealed effective January 1, 2021. The final payment for the PCORI fee was expected to be in 2020 however it was extended through 2029 with final payments due in 2030. The PCORI fee is \$3.47 per covered life for 2024 and was \$3.22 for 2023. The 2024 \$3.47 fee will be increased for inflation for 2025, as determined by the Department of Health and Human Services (HHS) and payable in 2026.



## Medical Plans

### Overview

For all Choices and Options medical plans, the final premium increase for 2026 is **6.0%**, or about **\$84.5 million** over 2025 premiums, projected based on January 2025 enrollment. The initial proposed renewal increase for the Choices and Options medical plans was **6.3%**. Negotiated reductions to the medical renewals equate to approximately **\$4.6 million**. For more details on final rate increases, please refer to Attachment C.

The 2026 renewals offered by Cigna, Kaiser Permanente, and UHC are outlined in the table below.

|                                   | <b>Cigna</b><br>(Choices & Options) | <b>Kaiser<br/>Permanente<br/>Choices</b> | <b>Kaiser<br/>Permanente<br/>Options</b> | <b>UHC<br/>Options</b> |
|-----------------------------------|-------------------------------------|------------------------------------------|------------------------------------------|------------------------|
| Initial 2026<br>Renewal Action    | +12.77%                             | +5.21%                                   | +4.67%                                   | +9.78%                 |
| Negotiated 2026<br>Renewal Action | +11.66%                             | +4.60%                                   | +4.31%                                   | +9.77%                 |

A summary of key issues, proposal terms, and negotiation results are outlined by carrier on the following pages.

### Cigna

Cigna initially proposed a **12.77%** increase to the combined HMO and POS rates for 2026, representing an increase over 2025 premiums of approximately **\$5.8 million; \$4.8 million** for Choices and **\$1.0 million** for Options. Cigna had \$86,044 in performance guarantee penalties for the 2024 plan year which will be credited to the Premium Stabilization Reserve (PSR) balance.

Renewal discussions with Cigna targeted the following issues:

- Medical and pharmacy trend methodology
- Demographic adjustment
- Analysis of expense calculation
- High per member per month retention charges
- Changes to utilization trends
- Increase in access fees
- Legislatively mandated benefit provision changes

The County's financial arrangement with Cigna provides for a year-end reconciliation of premiums, claims, and expenses associated with the plan. Surpluses are deposited to the PSR and any shortfall is withdrawn from the PSR, to the extent that funds are available. The PSR had grown to a significant level by 2008 and a premium subsidy was applied to the 2009 renewal. No subsidy was applied to the 2010 rates. As the claims experience deteriorated, the annual accounting resulted in a deficit, and the stabilization reserve was exhausted. Therefore, there has been no premium offset from the PSR for renewals from 2011 to 2025, and again there is no premium offset for 2026. The chart below summarizes the most recent



Mr. Ben Kemper  
County of Los Angeles  
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five years of the PSR (updated based on annual reconciliations provided by Cigna). The reconciliation for 2024 experience was not available as of the writing of this letter.

|                  | 2019          | 2020          | 2021          | 2022          | 2023          |
|------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Premium</b>   | \$45,121,892  | \$48,275,845  | \$46,308,873  | \$44,966,131  | \$43,744,829  |
| Year-end (PSR)   | (\$5,361,446) | (\$5,789,470) | (\$4,545,309) | (\$3,429,563) | (\$4,369,455) |
| PSR % of Premium | -11.88%       | -11.99%       | -9.82%        | -7.63%        | -9.99%        |

Negotiations with Cigna resulted in a final overall **11.66%** increase. This amounts to an increase of approximately **\$4.4 million** for Choices, and approximately **\$0.9 million** for Options over projected 2025 costs, and negotiated savings of approximately **\$0.46 million** from Cigna's original proposal.

During the renewal discussions regarding the Cigna plans offered to 1,633 Choices employees and 278 grandfathered Options employees, Cigna proposed two rate options that resulted in the same overall premium increase across all Cigna plans. The "standard" renewal approach, where all plans would receive the same blended percentage increase and an "alternative" renewal approach where the percentage increase would vary by plan. The rates for the alternative renewal approach are developed using Cigna's proprietary internal underwriting factors which deviate from Cigna's historical pricing methodology (the standard approach where underwriting is based on all plans' experience). The alternative approach aims to lower the cost of the Select HMO Plan and raises concerns about the sustainability of the POS and Broad HMO plans. In the immediate future, the increases to the POS plan included in the alternative method would make the plan increasingly expensive such that most likely could not afford it. This will likely lead to a plan experience "death spiral" for the POS plan and thus eliminating the only County-sponsored out-of-network medical option for employees in the Choices plan. County Management and Aon believe the standard renewal approach allows for long-term stability of the Cigna plan offerings.

Key Underwriting Considerations:

- **Medical plans are designed to pool risk.** In a scenario where a member can select from multiple plan options (e.g., POS, Broad HMO, Select HMO) are offered, the claims cost across all plans is shared and the difference in premiums between plan options should be established based on actuarial factors that determine plan design differentials (i.e., deductibles, copays, coinsurance, etc.) and network efficiency (i.e., network size and in-network only vs. in/out-of-network plans).
  - Additional factors, in particular member age and illness burden, may also impact claim costs. However, it is not recommended to rate plans in a pool based on member age or illness burden if the desired outcome is plan stability. Historically Cigna has relied on the standard approach with **flat percentage plan increases to promote plan stability**.
- **Minimizing migration risk.** Migration risk occurs when significant members move between plan offerings with plan premium differentials that cannot be supported by plan design differentials or network efficiency.



- When the premium costs of plans in a pool are established based on plan design differentials and network efficiency, it provides budget security (minimizes financial impact) to the County in the event that significant members move between plan offerings.
- If the premium cost difference between available plans is greater than what can be supported by the plan design differential or network efficiency, claim costs for members with advanced age or greater illness burden moving into the Select HMO may exceed premium amounts. While this may provide short-term benefits for 2026, the County will likely be hit with a large increase in 2027 and beyond to make up past shortfalls.
  - Based on demographic information, we see that the average age for a member enrolled in the Select HMO is 6.5 years younger than the Broad HMO and 14.4 years younger than the POS plan. Due to the younger age of the group, the claims cost experience on the Select HMO plan is lower than the Broad HMO and POS plans.
  - The joint labor management committee requested additional information from Cigna around the proposed alternative methodology aimed at determining if increases for each plan were rooted in purely plan design differential and network efficiency without considering health burden or age distribution across each plan. Cigna declined to provide the requested information.
  - Moving members from the POS plan and Broad HMO to **the Select HMO, which may be priced beyond what's sustainable due to network efficiency, would likely result in a budget shortfall.** The County would pay the price of the shortfall in 2027. At the same time, the Broad Network HMO and POS plans would become more expensive, further eliminating viable choice for members.
- **Ensuring plan choice.** Using the alternative approach results in significant premium increases to the POS plan, causing concern for the future sustainability of the POS plan. The POS plan increase under the standard renewal approach projects for \$934k in expected claims and expense compared to \$1.38M in premium. Increasing the POS premium further through the alternative renewal approach is not supported through the rate development. The POS plan is the only choice that offers both in-network and out-of-network coverage, which gives more freedom for members to select from a broader selection of providers to meet their medical needs.
  - The HMO plans do not offer out-of-network coverage, and **the County values allowing for an option with out-of-network coverage which is achieved through the POS plan.** The alternative option requires increases of 20.11% for members with employee only coverage, 34.84% for members with employee + one coverage, and 47.27% for members with employee + two or more coverage. With monthly premiums of \$2,710.30 (employee only), \$5,436.83 (employee +1) and \$6,228.63 (employee +2 or more) the POS plan would likely be priced out of reach for employees, essentially terminating the plan they have come to rely upon.



- While a small sample size, the **2026 projected claim costs for the POS plan suggests this plan is not exceeding premiums today** and is not being subsidized by the HMO plans. Additionally, there have been no changes to plan design or HMO network efficiency communicated by Cigna that would suggest an additional increase to the POS plan is warranted. Considering this, the County and Aon do not believe the Cigna increase to the POS plan is justified.
- The alternative approach also results in higher premium increases to the Broad HMO than under the standard approach. This could also drive membership from the Broad HMO to the Select HMO as member payroll contributions will increase, **causing additional concern for the sustainability of the Broad HMO as well.**

|                         | Final 2025 | Negotiated 2026 Increase |             |                   |             |
|-------------------------|------------|--------------------------|-------------|-------------------|-------------|
|                         |            | Alternative - CCU        | \$ Increase | Standard - County | \$ Increase |
| <b>Cigna HMO</b>        |            |                          |             |                   |             |
| Employee                | \$1,256.50 | \$1,417.56               | \$161.06    | \$1,403.58        | \$147.08    |
| Employee + 1            | \$2,526.33 | \$2,849.66               | \$323.33    | \$2,821.60        | \$295.27    |
| Employee + 2 or more    | \$2,907.32 | \$3,278.26               | \$370.94    | \$3,246.05        | \$338.73    |
| <b>Cigna POS</b>        |            |                          |             |                   |             |
| Employee                | \$2,256.58 | \$2,710.30               | \$453.72    | \$2,522.41        | \$265.83    |
| Employee + 1            | \$4,031.93 | \$5,436.83               | \$1,404.90  | \$4,506.89        | \$474.96    |
| Employee + 2 or more    | \$4,229.26 | \$6,228.63               | \$1,999.37  | \$4,727.47        | \$498.21    |
| <b>Cigna Select HMO</b> |            |                          |             |                   |             |
| Employee                | \$910.14   | \$975.90                 | \$65.76     | \$1,016.42        | \$106.28    |
| Employee + 1            | \$1,829.71 | \$1,961.62               | \$131.91    | \$2,042.91        | \$213.20    |
| Employee + 2 or more    | \$2,105.21 | \$2,256.33               | \$151.12    | \$2,349.46        | \$244.25    |

Using the standard approach and applying a flat increase percentage has been the historical approach given the reasons above and because there have not been plan design changes (e.g., increasing copays, decreasing coinsurance, etc.) or evidence of changes to HMO network efficiency to justify rating the plans by different amounts. As explained above, while cross subsidization does occur between plans, it's done intentionally, based on the fundamentals of insurance and risk pooling, and responsibly to ensure sustainability. Because of this, Aon supports the County's recommendation for the standard renewal approach where all plans receive the same blended increase percentage that is consistent across all three Cigna Plans. Employees and their family members with high care needs tend to select into the least restrictive plan, in terms of plan design (e.g., lower deductibles and copays) and network (broader choices via in-network and out-of-network) to enable choice when it's time for care decisions and provider access. The Standard increase option helps keep member choice between plans more accessible. Further, Aon recommends consideration of a future request for proposal for all three Cigna plans (to include at least one network-only plan and at least one in/out-of-network plan) to ensure ongoing financial sustainability of the plans and as part of ongoing due diligence.

### ***Kaiser Permanente***

Kaiser Permanente's (Kaiser's) initial renewal proposal was a **5.21%** increase for the Choices plan, representing an increase from 2025 premiums of approximately **\$12.1 million**. Kaiser's renewal proposal for Options was a **4.67%** increase, representing an increase from 2025 premiums of approximately **\$36.3 million**. Combined, Kaiser's initial weighted renewal



proposal for the Choices and Options population is a **4.79%** increase, representing an increase from 2025 premiums of approximately **\$48.4 million**.

Kaiser had \$407,156 in performance guarantee penalties, \$313,741.02 from Options and \$93,414.54 from Choices, from 2023 applied to the 2026 renewal.

Discussions with Kaiser on the renewal proposal targeted the following areas:

- Kaiser's rating methodology and operating margin assumptions
- Large claims pooling charge and pooling point
- Medical and pharmacy claims trend
- Demographic Adjustment Factor
- Administration fees, PCORI fees, Retention charges
- GLP-1 weight loss drug class coverage impact

Aon worked closely with Kaiser on the 2026 renewal; the final renewal increase is 4.60% for Choices and 4.31% for Options above 2025 costs.

To mitigate variation in renewal rate actions, the County entered into a two-way Risk Sharing Arrangement (RSA) with Kaiser effective January 1, 2022. The two-way RSA enables the County to share in any savings based on their group's performance on future renewals, while limiting its risk of deficits. The reconciliation of the 2023 plan year resulted in a deficit capped at 3.0% of 2023 premium collected. There was also a deficit carryforward from the prior reconciliation. Per the RSA contract, a premium adjustment of +1.5% was applied to the 2026 renewal for the Choices and Options population. Kaiser will release the reconciliation of premiums, claims, and expenses associated with the plan for the 2024 plan year by August 15, 2025. Future surpluses will be applied to future renewal rates to reduce the premium owed to Kaiser while future shortfalls will increase the future renewal rates.

The requested rate increase for the Kaiser Choices and Options plans is below market trend and Aon recommends that the County accept the renewal rates.

### ***United Healthcare***

UHC's initial renewal proposal was a **9.78%** overall increase representing a total increase of approximately **\$35.0 million** over current premiums. The initial renewal was a **9.74%** increase for the Signature Value and Harmony HMO plans. The renewal for the PPO plan was a **12.80%** increase for 2026. Discussions with UHC targeted the following key areas:

- Medical & pharmacy claims trend
- Pooling charges
- Demographic adjustments
- Retention
- Changes in reserves
- Legislatively mandated benefit provision changes

Negotiations with UHC resulted in no change to the overall offer, however a revised distribution of the increase of **8.00%** to the Signature Value HMO and **14.84%** increase to the Harmony HMO was proposed to ease the increase from a dollar perspective on UHC members in the Signature Value HMO. UHC's final renewal was a combined weighted increase of **9.77%** representing a total increase of approximately **\$35.0 million** over 2025. UHC had \$278,908.87 in performance guarantee penalties from 2024 applied to the 2026 Signature Value and Harmony HMO renewals, split by enrollment.



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The County's financial arrangement with UHC provides for a year-end reconciliation of premiums, claims, and expenses associated with the plan. Surpluses are deposited to the PSR and any shortfall is withdrawn from the PSR, to the extent that funds are available. UHC's 2024 year-end reconciliation resulted in no reduction to the 2026 renewal.

While the 2026 increase is slightly above general medical trend of 8.7%, Aon believes UHC has justified their renewal position and recommends the County accept the renewal rates.

## Dental Plans

### *Delta Dental of California*

Delta Dental of California's (Delta's) initial increase to the DPPO was **9.39%** for Choices and **1.92%** for Options. However, Delta was limited to increasing the PPO renewal to no greater than 6.50% for Choices based on terms negotiated during the 2025 renewal. The 2026 not-to-exceed percentage increases applied for Choices only. Delta's initial increase to the DHMO was **0.0%** for Choices and Options. Overall, Delta initially proposed a combined **3.10%** increase to the rates for 2026, representing an increase over the 2025 premiums of approximately **\$2,462,000**: an increase of **\$1,370,000** for Choices and an increase of **\$1,092,000** for Options.

Delta's initial increase to the DPPO was limited by previously negotiated not-to-exceed provisions of **6.50%** for Choices. Negotiations with Delta resulted in a concession to the Options DPPO, reducing the increase from **1.92%** to **-0.06%**. Delta did not agree to any concessions that would lower the Choices DPPO increase from the original offer of **6.50%**. Negotiations to the DHMO resulted in a final renewal of **-4.50%**. Combined negotiations with Delta on all plans resulted in total savings of **\$1,180,000** over the initial renewal position.

Overall, the final combined results are an increase of **1.6%** or an increase of approximately **\$1,281,000** from the 2025 rates. Delta offered Choices a **9.0%** not-to-exceed renewal for the DPPO and a **4.0%** not-to-exceed renewal for the DHMO for the 2027 plan year. Due to different plan designs and rating pools, Delta offered Options a **4.0%** not-to-exceed renewal for the DPPO and a **4.0%** not-to-exceed renewal for the DHMO for the 2027 plan year.

The County's financial arrangement with Delta provides for a year-end reconciliation of premiums, claims, reserves for incurred but unreported claims, and expenses associated with the plan. Surpluses are deposited to the Premium Stabilization Reserve (PSR) and any shortfall is withdrawn from the PSR, to the extent that funds are available. After the end of each contract term, Delta Dental calculates any positive amount ("plus stabilization") which may be reflected in the calculation of the renewal rate for the succeeding contract term, may be used as a monthly premium holiday for the succeeding contract term and/or may be used to offset the additional cost of increased benefits for the succeeding contract term. Aon recommends that the PSR balance be maintained at 1-1.5 months of premium to cover incurred but not reported claims. Options subsidized the renewal contract rate by 3% in 2021 and 6% for 2020 by withdrawing from the PSR balance. Due to COVID, the DPPO plan experienced reduced utilization and the PSR balance increased for both Options and Choices. In 2022, the Choices plan subsidized approximately \$4.7 million for a three-month premium holiday and the Options plan subsidized approximately \$4.3 million for a one-month premium holiday. There were no premium holidays for 2023 -2025 and no proposed premium holidays for 2026.



Mr. Ben Kemper  
County of Los Angeles  
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The Delta DHMO had no missed performance guarantee penalties in 2024. The Delta PPO has missed performance guarantee penalties of \$9,680.27 for Choices and \$26,484.58 for Options in 2024. The payments will be applied to each respective group's PSR. Aon recommends the County accept the revised Delta renewal for Choices and for Options for the DPPO and DHMO.

***MetLife (Safeguard) Prepaid Dental***

MetLife (Safeguard) initially calculated a **2.00%** increase to the 2026 rates, representing a \$14,700 change over the 2025 premiums. Negotiations with MetLife resulted in a rate action of **0.00%**, or a total savings of **\$14,700** over the initial renewal position. In addition, MetLife offered a not-to-exceed renewal increase of **2.0%** for both 2027 and 2028.

Due to 2023 and 2024 performance guarantee penalties of \$2,385 for Choices and of \$4,813 for Options, MetLife's (Safeguard's) billed rates will be 1.0% less than the full renewal contract rates for 2026.

**Life and AD&D**

***Life Insurance of North America, a wholly owned subsidiary of New York Life (New York Life)***

The basic life plan is a participating contract, meaning the County shares in surpluses on the plan. There was no surplus from 2020 through 2024. The results for 2025 will be available in 2026. These results do not impact the 2026 rates.

The current three-year rate guarantee is set to expire on December 31, 2025. The renewal increase for Basic Life and AD&D is 0.0%, while the Employee and Dependent Supplemental Life renewal increase is 5.0%. These plans were offered at a five-year rate guarantee from January 1, 2026, through December 31, 2030. There are no changes to any plan designs.

If you have any questions about the above information, please give me a call at 503-306-2838 to discuss.

Sincerely,

Anne E. Thompson  
Senior Vice President  
Aon, Los Angeles

CC:

Maggie Martinez – County of Los Angeles  
Ben Kemper – County of Los Angeles  
Keisha Lakey-Wright – County of Los Angeles  
Susan Moomjean – County of Los Angeles  
Robin Urban – County of Los Angeles  
Jennifer Paterno – County of Los Angeles  
Daniel Cho – County of Los Angeles

Chloe Watson – Aon  
Stephanie Chow – Aon  
Dylan Tollett – Aon



Mr. Ben Kemper  
**County of Los Angeles**  
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Thien-Thu Pham – County of Los Angeles  
Sandra Santana – County of Los Angeles  
John Quach – County of Los Angeles



## **Addendum**

### ***Process***

The renewal request, analysis, and negotiation are multi-step processes, conducted over a period of several months. Requests for Renewal (RFRs) are drafted and reviewed by the Aon and County stakeholders.

The RFR includes:

- Stated assumptions and requirements, including a submission letter to be signed by an officer of the bidding carrier with the authority to bind the carrier
- Questionnaire targeting key County objectives and issues, including rate development, utilization, and legislative issues such as health care reform
- Plan performance exhibits comparing the County's past plan results to the carriers' book of business results
- Rate quotation, rate development, and projected cost exhibits
- Benefit design and contract changes
- Performance guarantees

All stakeholders submit requested changes to the draft. These are reviewed and incorporated into the final RFR, which is then released to the carriers.

Carrier proposals are submitted to Aon who reviews the materials for reasonableness, accuracy and completeness. Aon then releases the responses to all stakeholders at the same time. Following a review and analysis period, Aon meets with the County, the Unions and their respective consultants to solicit input and comments on the renewal proposals. All of the comments and input are summarized and communicated to the various carriers. Conference calls and meetings are held between Aon and the County as needed to discuss the renewal results, negotiation process, and any open issues.

Responses from the carriers are due prior to the renewal meetings and the responses are delivered to all stakeholders concurrently following Aon's review for reasonableness, accuracy, and completeness. Final issues are reviewed in preparation for the renewal meetings.

The committee identifies which carriers to meet with for renewal negotiations. Carrier negotiation discussions are done in Executive (Closed) session to preserve confidentiality. Attendees include representatives from the County of Los Angeles DHR and CEO offices, Union consultants, BAC and EBAC committees, and Aon, as well as the carrier representatives. The carrier representatives generally include account/sales management, financial, operations, and medical/provider relations personnel. Issues discussed during the meetings include both financial and non-financial questions that explore carriers' methodologies for rate development. Outstanding issues and requests for reduced rates (when justified) are presented to each carrier. Following the meeting, carriers must respond to all identified issues in writing to Aon, who upon their review for reasonableness, accuracy, and completeness will deliver concurrently to all stakeholders.

The review and negotiation process continues until all open issues are resolved or the carrier has presented its final offer. The negotiation does not always result in agreement on particular topics; however, it may result in overall business concessions from the carriers.



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**County of Los Angeles**  
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After finishing negotiations, BAC and EBAC committees will vote on each plan's renewal individually to approve. If applicable, potential plan design changes will also be voted on to approve.



August 7, 2025

Mr. Ben Kemper  
Senior HR Manager  
**County of Los Angeles**  
510 South Vermont Avenue, 12<sup>th</sup> Floor  
Los Angeles, CA 90020

Delivered via email

**Subject:** Summary of 2026 Renewal Results and Recommendations (Flex and MegaFlex Plans)

Dear Ben:

The following letter summarizes the 2026 renewal proposals for medical, dental, life, survivor income benefit (SIB) and accidental death & dismemberment (AD&D) plans offered to the Flex and MegaFlex employees at the County of Los Angeles (the County), including our analysis, observations, and recommendations. The renewal request and negotiation process are outlined in the attached Addendum.

Renewal costs include the Patient-Centered Outreach Research Institute (PCORI) Fee imposed under the Affordable Care Act (ACA). The PCORI fees for the 2026 renewal had a minimal impact on the renewal. The PCORI fees increased the rates for each carrier as listed below:

- Kaiser's rates increased by approximately 0.04%
- The Anthem minimum premium funding arrangement is treated as a self-insured plan according to IRS guidelines. The PCORI fee is paid directly by the County.

Delta Dental does not have an additional cost increase to account for the Managed Care Assessment Tax. For the MetLife dental plan, the additional cost increase to account for the Managed Care Assessment Tax is 0.88%.

Fees imposed under the Affordable Care Act (ACA) have changed over time. The Health Insurer Fee was repealed effective January 1, 2021. The final payment for the PCORI fee was expected to be in 2020; however, it was extended through 2029 with final payments due in 2030. The PCORI fee was \$3.47 per covered life for 2024 and was \$3.22 for 2023. The 2024 \$3.47 fee will be increased for inflation for 2025, as determined by the Department of Health and Human Services (HHS) and payable in 2026.



## Medical Plans

### Overview

For all Flex and MegaFlex medical plans, the final premium for 2026 is an increase of **2.54%** which is approximately **\$8.7 million** above 2025 premiums projected based on January 2025 enrollment. The initial proposed renewal increase for the Flex and MegaFlex medical plans was **2.96%**. The final reductions to the medical renewals equate to approximately **\$1.4 million**. For more details on final rate increases, please refer to Attachment C.

A summary of key issues, renewal proposal terms and negotiation results are outlined by carrier on the following pages.

|                                | Anthem Blue Cross | Kaiser Permanente |
|--------------------------------|-------------------|-------------------|
| Initial 2025 Renewal Action    | <b>+4.80%</b>     | <b>+0.36%</b>     |
| Negotiated 2025 Renewal Action | <b>+4.48%</b>     | <b>-0.21%</b>     |

### Anthem Blue Cross

The Anthem Blue Cross (Anthem) program is a minimum premium arrangement, where expected and maximum liability costs are projected based on prior claims experience and the fixed costs associated with administration of the plan. The expected liability costs for Anthem are the basis for the renewals outlined in this letter. Anthem's initial renewal proposal was a **4.80%** increase across all plans, or about **\$9.6 million** over projected 2025 costs. All plans include specific stop loss of \$400,000 per individual. Aggregate stop loss continues at 110% of projected claims for all Anthem lines of coverage.

Renewal discussions with Anthem targeted the following key areas:

- Retention increase
- Pooling charges
- Medical and pharmacy trends by product
- Capitation rates
- Pharmacy rebates
- Paid claims experience and large claims
- Legislatively mandated benefit provision changes

The final renewal resulted in an overall increase of **4.48%** across all plans and a reduction of approximately **\$0.63 million** from the initial renewal.

Anthem's 2024 performance guarantee report was not available as of the writing of this letter. However, there is no direct impact to the 2026 renewal.

Vision benefits for the Anthem HMO, POS and PPO plans are offered on a non-participating, fully insured basis through an arrangement between Anthem and VSP. There is also a



portion of the vision benefit (coverage for laser eye surgery) that is self-insured by the County. The vision premium is guaranteed for 48 months from 1/1/2023 through 12/31/2026. The cost of the vision program is included in the Anthem renewals described above.

Anthem's status quo renewal rate increase proposal is **4.48%**. The renewal is below medical trend and Aon recommends accepting this renewal.

#### ***Kaiser Permanente and Kaiser Permanente Mid-Atlantic***

Kaiser Permanente's (Kaiser's) initial renewal proposal was a **0.36%** increase or about **\$0.50 million** above projected 2025 costs for the Flex and MegaFlex plans. The Kaiser Mid-Atlantic renewal proposal is a **5.85%** increase, or \$2,200 over 2025.

Kaiser applied a credit of \$55,986 to the 2026 renewal as a result of missed performance guarantees in 2023.

Discussions with Kaiser on the renewal proposal targeted the following areas:

- Kaiser's rating methodology and operating margin assumptions
- Large claims pooling charge and pooling point
- Medical and pharmacy claims trend
- Demographic adjustment factor
- Administration fees, PCORI fees, and retention charges
- Legislatively mandated benefit provision changes
- GLP-1 coverage impact

Aon worked closely with Kaiser on the 2026 renewal; the final decrease is -0.21% below 2025 costs for the Flex and MegaFlex plans.

To mitigate variation in renewal rate actions, the County entered into a two-way Risk Sharing Agreement (RSA) with Kaiser effective January 1, 2022. The two-way RSA enables the County to share in any savings based on the group's performance on future renewals, while limiting its risk of deficits. The reconciliation of the 2023 plan year resulted in a surplus of 1.9% of 2023 premium collected. There was a deficit carryforward from the prior reconciliation of \$945k the 2023 surplus offset before applying to premiums. Per the RSA contract, a premium adjustment of -0.9% was applied to the 2026 renewal for the Flex and MegaFlex population. Kaiser will release the reconciliation of premiums, claims and expenses associated with the plan for the 2024 plan year by August 15, 2025. Future surpluses will be applied to future renewal rates to reduce the premium owed to Kaiser while future shortfalls will increase the future renewal rates.

Kaiser's status quo renewal rate increase proposal is **-0.21%**. The renewal is below medical trend, and Aon recommends accepting this renewal.

#### **Dental Plans**

##### ***Delta Dental of California***

Delta Dental of California (Delta) initially proposed a **4.94%** increase to the rates for 2026, representing an increase over 2025 premiums of approximately **\$729,000**. By plan, this is a



**5.0%** increase to the DPPO and a **0.0%** increase to the DHMO. Note, the initial quoted increase to the DPPO was a 6.09% increase, however, Delta's initial DPPO offer was limited to the 2025 not-to-exceed rate cap of 5.0%.

Negotiations with Delta resulted in a **4.88%** increase, representing a total savings of **\$8,100** over the initial renewal position. By plan, this is a **5.0%** increase to the DPPO and a **-4.5%** decrease to the DHMO. For both the DPPO and DHMO, Delta offered a **4.0%** not-to-exceed rate guarantee for the 2027 plan year.

The County's financial arrangement with Delta provides for a year-end reconciliation of premiums, claims, reserves for incurred but unreported claims, and expenses associated with the plan. Surpluses are deposited to the Premium Stabilization Reserve (PSR) and any shortfall is withdrawn from the PSR, to the extent that funds are available. After the end of each contract term, Delta calculates any positive amount ("plus stabilization") which may be reflected in the calculation of the renewal rate for the succeeding contract term, may be used as a monthly premium holiday for the succeeding contract term and/or may be used to offset the additional cost of increased benefits for the succeeding contract term. Aon recommends that the PSR balance be maintained at 1-1.5 months of premium to cover incurred but not reported claims. There is not a proposed premium holiday for 2026.

The Delta DHMO had no missed performance guarantee penalties in 2024. The Delta DPPO had a missed performance metric that resulted in a payment of \$6,845.26. The payment will be applied to the PSR.

Aon recommends the County accept the revised Delta 2026 renewal for the Flex and MegaFlex plan.

### ***MetLife (Safeguard) Prepaid Dental***

MetLife (Safeguard) initially proposed a **2.00%** increase from the 2025 rates, representing a \$2,400 increase over the 2025 premiums.

Negotiations with MetLife resulted in a 0.00% **increase** to the renewal, representing total savings of **\$2,400** over the initial renewal position. MetLife offered a **2.00%** not-to-exceed rate guarantee for both the 2027 and 2028 plan year.

Due to 2023 and 2024 performance guarantee penalties of \$1,167 for Flex and MegaFlex, MetLife's (Safeguard's) billed rates will be 1.0% less than the full renewal rates for 2026.

### **Life and AD&D**

#### ***Life Insurance of North America, a wholly owned subsidiary of New York Life (New York Life)***

The basic life plan is a participating contract, meaning the County shares in surpluses on the plan. There was no surplus available from 2020 through 2024. The results for 2025 will be available in 2026. These results do not impact the 2026 rates.

The current three-year rate guarantee is set to expire on December 31, 2025. The renewal increase for Basic Life and AD&D is 0.0%. These plans were offered at a five-year rate



Mr. Ben Kemper  
County of Los Angeles  
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guarantee from January 1, 2026, through December 31, 2030. There are no changes to any plan designs.

**MetLife GVUL**

The MetLife GVUL supplemental life insurance plan rates, dependent life and SIB rates are guaranteed for 60 months from January 1, 2022, through December 31, 2026.

If you have any questions about the above information, please give me a call at 503-306-2838 to discuss.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne E. Thompson", with a stylized flourish at the end.

Anne E. Thompson  
Senior Vice President  
Aon, Los Angeles

CC:

|                                             |                      |
|---------------------------------------------|----------------------|
| Maggie Martinez – County of Los Angeles     | Stephanie Chow – Aon |
| Ben Kemper – County of Los Angeles          | Chloe Watson – Aon   |
| Keisha Lakey-Wright – County of Los Angeles | Dylan Tollett – Aon  |
| Susan Moomjean – County of Los Angeles      |                      |
| Robin Urban – County of Los Angeles         |                      |
| Jennifer Paterno – County of Los Angeles    |                      |
| Daniel Cho – County of Los Angeles          |                      |
| Thien-Thu Pham – County of Los Angeles      |                      |
| Sandra Santana – County of Los Angeles      |                      |
| John Quach – County of Los Angeles          |                      |



## **Addendum**

### ***Process***

The renewal request, analysis and negotiation are multi-step processes, conducted over a period of several months. A planning meeting with the County begins the process in which objectives for the following plan year are established. This process was conducted by the County and Aon.

Based on the planning meeting discussions, a Request for Renewal (RFR) was drafted. The RFR includes:

- Stated assumptions and requirements, including a submission letter to be signed by an officer of the bidding carrier with the authority to bind their proposal
- Questionnaire targeting key County objectives and issues, including rate development, utilization, legislative issues such as mental health parity and health care reform
- Plan performance exhibits comparing the County's past plan results to the carriers' book of business results
- Rate quotation, rate development and projected cost exhibits
- Benefit design and contract changes
- Performance guarantees

All stakeholders submit requested changes to the draft. These are reviewed and incorporated into the final RFR, which is then released to the carriers.

Carrier proposals are submitted to Aon who reviews the materials for reasonableness, accuracy and completeness. Aon then releases the responses to all stakeholders at the same time. Following a review and analysis period, Aon solicits input and comments from the County, and their comments are incorporated into the communications to the various carriers. Conference calls and meetings are held between Aon and the County as needed to discuss the renewal results, negotiation process and any open issues.

Responses to the communications are due from the carriers prior to the renewal meetings. After Aon's review for reasonableness, accuracy and completeness, the responses are delivered to all stakeholders concurrently. Final issues are reviewed and prepared for the renewal meetings.

The committee identifies which carriers to meet with for renewal negotiations. Attendees include representatives from the County of Los Angeles DHR and CEOs' offices, Aon, and carrier representatives. The carrier representatives generally include account/sales management, financial, operations, and medical/provider relations personnel. Issues discussed during the meetings include both financial and non-financial questions that explore carriers' methodologies for rate development. Outstanding issues and requests for reduced rates (when justified) are presented to each carrier. Following the meeting, carriers must respond to all identified issues in writing to Aon, who upon their review for reasonableness, accuracy and completeness will deliver to all stakeholders concurrently.



Mr. Ben Kemper  
**County of Los Angeles**  
Page 7

The review and negotiation process continues until all open issues are resolved or the carrier has presented its final offer. The negotiation does not always result in agreement on particular topics; however, it may result in overall business concessions from the carriers.



**County of Los Angeles  
2026 Renewal Results**

|                                              | <b>2025<br/>Current Plan</b> | <b>2026<br/>Initial Renewal<br/>Current Plan</b> | <b>2026<br/>Negotiated Renewal<br/>Current Plan</b> | <b>% Change<br/>from 2025</b> | <b>Negotiated<br/>(Savings)</b> |
|----------------------------------------------|------------------------------|--------------------------------------------------|-----------------------------------------------------|-------------------------------|---------------------------------|
| Flex and MegaFlex                            |                              |                                                  |                                                     |                               |                                 |
| Kaiser & Kaiser Mid-Atlantic                 | \$140,619,409                | \$141,123,424                                    | <b>\$140,323,634</b>                                | <b>-0.21%</b>                 | <b>(\$799,790)</b>              |
| Anthem <sup>1</sup>                          | \$199,728,236                | \$209,314,686                                    | <b>\$208,683,960</b>                                | <b>4.48%</b>                  | <b>(\$630,726)</b>              |
| Options                                      |                              |                                                  |                                                     |                               |                                 |
| Kaiser                                       | \$777,826,936                | \$814,133,205                                    | <b>\$811,344,763</b>                                | <b>4.31%</b>                  | <b>(\$2,788,442)</b>            |
| Cigna                                        | \$7,536,941                  | \$8,500,405                                      | <b>\$8,416,758</b>                                  | <b>11.67%</b>                 | <b>(\$83,647)</b>               |
| UnitedHealthcare                             | \$358,364,583                | \$393,395,385                                    | <b>\$393,379,908</b>                                | <b>9.77%</b>                  | <b>(\$15,477)</b>               |
| Choices                                      |                              |                                                  |                                                     |                               |                                 |
| Kaiser                                       | \$231,156,072                | \$243,209,971                                    | <b>\$241,791,924</b>                                | <b>4.60%</b>                  | <b>(\$1,418,047)</b>            |
| Cigna                                        | \$37,616,249                 | \$42,419,127                                     | <b>\$42,002,173</b>                                 | <b>11.66%</b>                 | <b>(\$416,954)</b>              |
| <b>Total Medical<sup>2</sup></b>             | <b>\$1,752,848,426</b>       | <b>\$1,852,096,203</b>                           | <b>\$1,845,943,120</b>                              | <b>5.31%</b>                  | <b>(\$6,153,083)</b>            |
| Delta PPO & DeltaCare HMO <sup>2</sup>       |                              |                                                  |                                                     |                               |                                 |
| Flex                                         | \$14,762,754                 | \$15,491,644                                     | <b>\$15,483,539</b>                                 | <b>4.88%</b>                  | <b>(\$8,105)</b>                |
| Options                                      | \$57,840,647                 | \$58,932,655                                     | <b>\$57,769,811</b>                                 | <b>-0.12%</b>                 | <b>(\$1,162,844)</b>            |
| Choices                                      | \$21,464,612                 | \$22,834,205                                     | <b>\$22,816,587</b>                                 | <b>6.30%</b>                  | <b>(\$17,618)</b>               |
| MetLife/Safeguard <sup>2</sup>               |                              |                                                  |                                                     |                               |                                 |
| Flex                                         | \$119,871                    | \$122,267                                        | <b>\$119,871</b>                                    | <b>0.00%</b>                  | <b>(\$2,396)</b>                |
| Options                                      | \$482,300                    | \$491,928                                        | <b>\$482,300</b>                                    | <b>0.00%</b>                  | <b>(\$9,628)</b>                |
| Choices                                      | \$256,246                    | \$261,353                                        | <b>\$256,246</b>                                    | <b>0.00%</b>                  | <b>(\$5,107)</b>                |
| <b>Total Dental<sup>2</sup></b>              | <b>\$94,926,430</b>          | <b>\$98,134,052</b>                              | <b>\$96,928,354</b>                                 | <b>2.11%</b>                  | <b>(\$1,205,698)</b>            |
| New York Life Basic Life                     | \$1,354,718                  | \$1,354,718                                      | \$1,354,718                                         | <b>0.00%</b>                  | \$0                             |
| New York Life AD&D                           | \$5,289,282                  | \$5,289,282                                      | \$5,289,282                                         | <b>0.00%</b>                  | \$0                             |
| New York Life Optional Employee Life         | \$56,510,535                 | \$59,336,062                                     | \$59,336,062                                        | <b>5.00%</b>                  | \$0                             |
| New York Life Dependent Life                 | \$1,755,324                  | \$1,843,090                                      | \$1,843,090                                         | <b>5.00%</b>                  | \$0                             |
| <b>Total Life &amp; AD&amp;D<sup>3</sup></b> | <b>\$64,909,859</b>          | <b>\$67,823,152</b>                              | <b>\$67,823,152</b>                                 | <b>4.49%</b>                  | <b>\$0</b>                      |
| <b>TOTAL<sup>4</sup></b>                     | <b>\$1,912,684,715</b>       | <b>\$2,018,053,407</b>                           | <b>\$2,010,694,626</b>                              | <b>5.12%</b>                  | <b>(\$7,358,781)</b>            |

## Footnotes:

1. Anthem rates are calculated based on an expected premium basis
2. Medical & dental premiums are calculated using January 2025 enrollment to project estimated annual cost
3. Life & AD&D premiums are calculated using May 2025 premium payments to project estimated annual cost
4. Underlying rates are rounded to two decimal places

**Member Unions:**

American  
Federation of State,  
County, &  
Municipal  
Employees, Council  
36, AFL-CIO

Association of  
Deputy District  
Attorneys, MEBA,  
AFL-CIO

Association for Los  
Angeles Deputy  
Sheriffs, MEBA,  
AFL-CIO

Association of  
Public Defender  
Investigators, AFL-  
CIO

California  
Association of  
Professional  
Employees, MEBA,  
AFL-CIO

California  
Federation of  
Interpreters, CWA  
Local 39000, AFL-  
CIO

Committee of  
Interns &  
Residents, SEIU  
1957

Deputy Probation  
Officers Union,  
Local 685, AFSCME,  
AFL-CIO

International Union  
of Operating  
Engineers, Local  
501 AFL-CIO

Los Angeles County  
Building &  
Construction  
Trades Council,  
AFL-CIO

Los Angeles County  
Firefighters, Local  
1014, AFL-CIO

Los Angeles County  
Lifeguard  
Association, MEBA,  
AFL-CIO

Los Angeles County  
Professional Peace  
Officers  
Association, MEBA  
AFL-CIO

Los Angeles County  
Public Defenders  
Union

Teamsters Local  
911

Union of American  
Physicians &  
Dentists, AFSCME,  
AFL-CIO



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info@coalitionofCountyunions.com

Derek Hsieh, Chair

Dave Gillotte, Co-Chair

August 5, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

**RE: LOS ANGELES COALITION OF COUNTY UNIONS (CCU) – 2026 CHOICES  
CIGNA MEDICAL PREMIUM INCREASE DISPUTE**

Dear Supervisors,

I am writing on behalf of your County employees to draw your attention to the inequitable Cigna medical premium rate increases being proposed for 2026. Annually, management and labor collaborate in the setting of rates via the Employee Benefits Administration Committee (EBAC). However, this year, management and labor find themselves disagreeing with their choice of rate increase for the Cigna Plan. The two choices before us are as follows:

- **Cigna Plan Flat Increase** – Applies a consistent rate increase shared between all Cigna plans based on pooling the populations. This has historically been the only plan rating option made available. However, this method, this year applies enormous premium increases on the entire universe of County employees utilizing any Cigna-sponsored plans that are unrealistic and grossly out of proportion to the cost increases in all but one very expensive plan covering a handful of employees. County management favors and voted for this increase.
- **Cigna Per Plan Increase** – Applies a distributed rate increase to each Cigna plan based on utilization, underwriting / actuarial assumptions. This method avoids the enormous inequalities of applying the cost of the most expensive plan, utilized by less than 100 County employees, on the shoulders of every County employee subscribing to the Cigna plan. This structure was supported by every labor member of EBAC.

Board of Supervisors  
August 5, 2025  
Page 2

The EBAC process around the other plans was concluded smoothly and with unanimity. However, the blatant inequity created by applying a flat rate increase, “the way we have always done it,” is unacceptable to all CCU unions representing your County employees. I have enclosed further details on the impact. I urge the Board of Supervisors to consider your employees as you consider the Cigna rates for 2026 and go with a per-plan increase structure for Cigna.

Sincerely,



Derek Hsieh  
Chair

Enclosures  
CCU-2026 Cigna Choices Renewal Overview  
Choices 2026 Medical Renewal Summary – for Voting 7.16.2025

## **CCU - Choices – Cigna Medical Plan Renewals Overview**

### **Effective January 1, 2026**

This letter is to serve as an overview and summary of the CCU's position per the lack of 2026 Choices Cigna medical plan renewal resolution between the CCU and management representatives in the Joint Labor-Management Employee Benefits Administration Committee (EBAC) teleconference meeting on July 9, 2025. Please note, on July 16, 2025, management representatives requested a revised electronic vote per minor rate discrepancies uncovered after EBAC.

At the July 9, 2025 EBAC teleconference meeting the committee discussed the two renewal rating options made available by Cigna for the 2026 plan year, enclosed for reference and as follows:

- **2026 Per Plan Increase** – Applies a distributed rate increase to each Cigna plan based on utilization, underwriting/actuarial assumptions, utilization, and Cigna's recommendations
  - This is the first year this plan rating option has been made available by Cigna
- **2026 Flat Increase** – Applies a consistent rate increase shared between all Cigna plans based on pooling the populations
  - This has historically been the only plan rating option made available by Cigna

Representatives from CCU proposed a motion to renew the Cigna plans under the "2026 Per Plan Increase" described above and in the enclosure. This vote failed as a result of management representative disapproval.

Representatives from management proposed a motion to renew the Cigna plans under the "2026 Flat Increase" described above and in the enclosure. This vote failed as a result of CCU representative disapproval. The question was raised by management again per information made available on July 16, 2025 via electronic poll and subsequently failed again as a result of CCU representative disapproval.

CCU's position is that as plan fiduciaries, EBAC should prioritize long-term rate stability for all current and future enrolled plan participants under the "2026 Per Plan Increase" renewal option. Our decision was reached after thorough review with our affiliates and benefits consultants with key points as follows:

- Better ensure the plans are priced appropriately
- Mitigate the implicit subsidy and potential actuarial liability between the Cigna plan offerings
- Continue to provide competitive rates and plan designs within the Choices cafeteria plan
- Enable long-term viability for Cigna within the Choices cafeteria plan

The few employees enrolled in the Cigna POS plan should continue to have access to the POS plan, but not at the expense of the other Cigna plan participants. On the next page, please find a comparison of the monthly rate increases and savings that would be available between Management and CCU's recommendations.

|                                | Lives<br>1/2025 | Final 2025<br>Monthly Rates* | Negotiated 2026<br>Flat Increase<br>Monthly Rates*<br>Management<br>Vote | Negotiated 2026<br>Per Plan Increase<br>Monthly Rates*<br>CCU Vote | \$ Savings<br>Flat vs. Per Plan |
|--------------------------------|-----------------|------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------|
| <b><u>Cigna HMO</u></b>        |                 |                              |                                                                          |                                                                    |                                 |
| Employee                       | 331             | \$1,256.50                   | \$1,403.58                                                               | \$1,417.56                                                         | <b>(\$13.98)</b>                |
| Employee + 1                   | 185             | \$2,526.33                   | \$2,821.60                                                               | \$2,849.66                                                         | <b>(\$28.06)</b>                |
| Employee + 2 or more           | 331             | \$2,907.32                   | \$3,246.05                                                               | \$3,278.26                                                         | <b>(\$32.21)</b>                |
| <b>Annual Sub-Total</b>        | <b>847</b>      | <b>\$22,147,146</b>          | <b>\$24,732,271</b>                                                      | <b>\$24,978,042</b>                                                | <b>(\$245,771)</b>              |
| <b><u>Cigna POS</u></b>        |                 |                              |                                                                          |                                                                    |                                 |
| Employee                       | 12              | \$2,256.58                   | \$2,522.41                                                               | \$2,710.30                                                         | <b>(\$187.89)</b>               |
| Employee + 1                   | 4               | \$4,031.93                   | \$4,506.89                                                               | \$5,436.83                                                         | <b>(\$929.94)</b>               |
| Employee + 2 or more           | 9               | \$4,229.26                   | \$4,727.47                                                               | \$6,228.63                                                         | <b>(\$1,501.16)</b>             |
| <b>Annual Sub-Total</b>        | <b>25</b>       | <b>\$975,240</b>             | <b>\$1,090,125</b>                                                       | <b>\$1,323,943</b>                                                 | <b>(\$233,818)</b>              |
| <b><u>Cigna Select HMO</u></b> |                 |                              |                                                                          |                                                                    |                                 |
| Employee                       | 353             | \$910.14                     | \$1,016.42                                                               | \$975.90                                                           | <b>\$40.52</b>                  |
| Employee + 1                   | 129             | \$1,829.71                   | \$2,024.91                                                               | \$1,961.62                                                         | <b>\$63.29</b>                  |
| Employee + 2 or more           | 309             | \$2,105.21                   | \$2,349.46                                                               | \$2,256.33                                                         | <b>\$93.13</b>                  |
| <b>Annual Sub-Total</b>        | <b>791</b>      | <b>\$14,493,863</b>          | <b>\$16,179,777</b>                                                      | <b>\$15,536,972</b>                                                | <b>\$642,805</b>                |
| <b>Annual Grand Total</b>      | <b>1,663</b>    | <b>\$37,616,249</b>          | <b>\$42,002,173</b>                                                      | <b>\$41,838,957</b>                                                | <b>\$163,216</b>                |

*\*Includes Vision, as applicable, and excludes negotiated County buy-downs and contributions*

As indicated in the table above, a majority of Cigna's membership is enrolled in either the HMO or Select HMO plans which, per the CCU's recommended renewal option, would receive a minor monthly cost adjustment and significant savings opportunity respectively when compared to Management's recommendation. The Cigna POS plan only continues to shrink in population, and it is CCU's position that the proposed "2026 Flat Increase" unfairly places an additional implicit subsidy and increased cost on those enrolled in the growing, stable Cigna Select HMO plan, and the County overall.

Further, after review of subsequent network reporting received from Cigna it was found that:

- Over **97%** of HMO and POS participants have access to the Select HMO plan
- Approximately **95%** of POS participants reside in a Cigna HMO service area

CCU's position is also that as plan fiduciaries, EBAC should ensure that employees are making an informed choice during their plan selection process. The small number of Cigna POS employees would likely be better served to maintain tens of thousands of dollars per year in their paycheck and switch to a lower cost plan with a similar plan design during Open Enrollment.

Lastly, please note that prior to the July 9, 2025, EBAC teleconference meeting and July 16, 2025 re-vote, pre-meetings were held, and communications were exchanged between management and CCU

regarding the 2026 Choices Cigna medical plan renewals in an attempt to reach resolution in advance of the scheduled meeting.

Enclosure

Choices 2026 Medical Renewal Summary – for Voting 7.16.2025



THE COUNTY OF LOS ANGELES  
2026 Renewals - Choices

|                              |               |                      |                                   |               |                               |               | Original Vote 7/9/2025               |               |                                  |               | Revised Vote 7/16/2025               |               |                                  |               |
|------------------------------|---------------|----------------------|-----------------------------------|---------------|-------------------------------|---------------|--------------------------------------|---------------|----------------------------------|---------------|--------------------------------------|---------------|----------------------------------|---------------|
| Health Plans - Choices       | Lives 1/2025  | Final 2025           | Initial 2026<br>Per Plan Increase | % Change      | Initial 2026<br>Flat Increase | % Change      | Negotiated 2026<br>Per Plan Increase | % Change      | Negotiated 2026<br>Flat Increase | % Change      | Negotiated 2026<br>Per Plan Increase | % Change      | Negotiated 2026<br>Flat Increase | % Change      |
| <b>Cigna HMO</b>             |               |                      |                                   |               |                               |               |                                      |               |                                  |               |                                      |               |                                  |               |
| Employee                     | 331           | \$1,256.50           | \$1,440.53                        | 14.65%        | \$1,417.56                    | 12.82%        | \$1,417.56                           | 12.82%        | \$1,405.08                       | 11.82%        | \$1,417.56                           | 12.82%        | \$1,403.58                       | 11.71%        |
| Employee + 1                 | 185           | \$2,526.33           | \$2,893.65                        | 14.54%        | \$2,849.66                    | 12.80%        | \$2,849.66                           | 12.80%        | \$2,824.60                       | 11.81%        | \$2,849.66                           | 12.80%        | \$2,821.60                       | 11.69%        |
| Employee + 2 or more         | 331           | \$2,907.32           | \$3,324.10                        | 14.34%        | \$3,278.26                    | 12.76%        | \$3,278.26                           | 12.76%        | \$3,249.50                       | 11.77%        | \$3,278.26                           | 12.76%        | \$3,246.05                       | 11.65%        |
| <b>Total Premium</b>         | <b>847</b>    | <b>\$22,147,146</b>  | <b>\$25,349,013</b>               | <b>14.46%</b> | <b>\$24,978,042</b>           | <b>12.78%</b> | <b>\$24,978,042</b>                  | <b>12.78%</b> | <b>\$24,758,604</b>              | <b>11.79%</b> | <b>\$24,978,042</b>                  | <b>12.78%</b> | <b>\$24,732,271</b>              | <b>11.67%</b> |
| <b>Cigna POS</b>             |               |                      |                                   |               |                               |               |                                      |               |                                  |               |                                      |               |                                  |               |
| Employee                     | 12            | \$2,256.58           | \$2,710.30                        | 20.11%        | \$2,547.68                    | 12.90%        | \$2,710.30                           | 20.11%        | \$2,525.11                       | 11.90%        | \$2,710.30                           | 20.11%        | \$2,522.41                       | 11.78%        |
| Employee + 1                 | 4             | \$4,031.93           | \$5,436.83                        | 34.84%        | \$4,552.05                    | 12.90%        | \$5,436.83                           | 34.84%        | \$4,511.73                       | 11.90%        | \$5,436.83                           | 34.84%        | \$4,506.89                       | 11.78%        |
| Employee + 2 or more         | 9             | \$4,229.26           | \$6,228.63                        | 47.27%        | \$4,774.83                    | 12.90%        | \$6,228.63                           | 47.27%        | \$4,732.54                       | 11.90%        | \$6,228.63                           | 47.27%        | \$4,727.47                       | 11.78%        |
| <b>Total Premium</b>         | <b>25</b>     | <b>\$975,240</b>     | <b>\$1,323,943</b>                | <b>35.76%</b> | <b>\$1,101,046</b>            | <b>12.90%</b> | <b>\$1,323,943</b>                   | <b>35.76%</b> | <b>\$1,091,293</b>               | <b>11.90%</b> | <b>\$1,323,943</b>                   | <b>35.76%</b> | <b>\$1,090,125</b>               | <b>11.78%</b> |
| <b>Cigna Select HMO</b>      |               |                      |                                   |               |                               |               |                                      |               |                                  |               |                                      |               |                                  |               |
| Employee                     | 353           | \$910.14             | \$975.90                          | 7.23%         | \$1,026.52                    | 12.79%        | \$975.90                             | 7.23%         | \$1,017.50                       | 11.80%        | \$975.90                             | 7.23%         | \$1,016.42                       | 11.68%        |
| Employee + 1                 | 129           | \$1,829.71           | \$1,961.62                        | 7.21%         | \$2,063.18                    | 12.76%        | \$1,961.62                           | 7.21%         | \$2,045.08                       | 11.77%        | \$1,961.62                           | 7.21%         | \$2,042.91                       | 11.65%        |
| Employee + 2 or more         | 309           | \$2,105.21           | \$2,256.33                        | 7.18%         | \$2,372.68                    | 12.71%        | \$2,256.33                           | 7.18%         | \$2,351.94                       | 11.72%        | \$2,256.33                           | 7.18%         | \$2,349.46                       | 11.60%        |
| <b>Total Premium</b>         | <b>791</b>    | <b>\$14,493,863</b>  | <b>\$15,536,972</b>               | <b>7.20%</b>  | <b>\$16,340,039</b>           | <b>12.74%</b> | <b>\$15,536,972</b>                  | <b>7.20%</b>  | <b>\$16,196,907</b>              | <b>11.75%</b> | <b>\$15,536,972</b>                  | <b>7.20%</b>  | <b>\$16,179,777</b>              | <b>11.63%</b> |
| <b>Cigna Total</b>           | <b>1,663</b>  | <b>\$37,616,249</b>  | <b>\$42,209,928</b>               | <b>12.21%</b> | <b>\$42,419,127</b>           | <b>12.77%</b> | <b>\$41,838,957</b>                  | <b>11.23%</b> | <b>\$42,046,804</b>              | <b>11.78%</b> | <b>\$41,838,957</b>                  | <b>11.23%</b> | <b>\$42,002,173</b>              | <b>11.66%</b> |
| <b>Kaiser</b>                |               |                      |                                   |               |                               |               |                                      |               |                                  |               |                                      |               |                                  |               |
| Employee                     | 3,899         | \$1,019.21           | \$1,072.36                        | 5.21%         | \$1,072.36                    | 5.21%         | \$1,066.11                           | 4.60%         | \$1,066.11                       | 4.60%         | \$1,066.11                           | 4.60%         | \$1,066.11                       | 4.60%         |
| Employee + 1                 | 2,125         | \$2,038.42           | \$2,144.72                        | 5.21%         | \$2,144.72                    | 5.21%         | \$2,132.22                           | 4.60%         | \$2,132.22                       | 4.60%         | \$2,132.22                           | 4.60%         | \$2,132.22                       | 4.60%         |
| Employee + 2 or more         | 4,634         | \$2,364.58           | \$2,487.88                        | 5.21%         | \$2,487.88                    | 5.21%         | \$2,473.37                           | 4.60%         | \$2,473.37                       | 4.60%         | \$2,473.37                           | 4.60%         | \$2,473.37                       | 4.60%         |
| <b>Kaiser Total</b>          | <b>10,658</b> | <b>\$231,156,072</b> | <b>\$243,209,971</b>              | <b>5.21%</b>  | <b>\$243,209,971</b>          | <b>5.21%</b>  | <b>\$241,791,924</b>                 | <b>4.60%</b>  | <b>\$241,791,924</b>             | <b>4.60%</b>  | <b>\$241,791,924</b>                 | <b>4.60%</b>  | <b>\$241,791,924</b>             | <b>4.60%</b>  |
| <b>Choices Total Medical</b> | <b>12,321</b> | <b>\$268,772,321</b> | <b>\$285,419,899</b>              | <b>6.19%</b>  | <b>\$285,629,098</b>          | <b>6.27%</b>  | <b>\$283,630,881</b>                 | <b>5.53%</b>  | <b>\$283,838,728</b>             | <b>5.61%</b>  | <b>\$283,630,881</b>                 | <b>5.53%</b>  | <b>\$283,794,097</b>             | <b>5.59%</b>  |

\* Cigna HMO rates include vision so the % increase is slightly different

\*\* Due to Cigna relying on their own system enrollment instead of the the January 2025 County census and this exhibit showing Choices only, the aggregate dollar amounts between renewal increase options vary.  
Actual difference between the per plan increase and flat increase are negligible.