

Meeting Date: January 20, 2026
Consent Agenda: Medical Health Insurance Renewal

BACKGROUND

For the upcoming benefit year of March 1, 2026 – February 28, 2027, GRTC intends to offer eligible employees the choice of either the traditional Open Access Plan (OAP) or the Consumer Driven Wellness Plan with an HSA (CDWP). The tables below highlight the key components of the proposed medical offerings.

		OAP	CDWP w HSA
In Network			
Accumulators	Plan Year	Plan Year	
Deductible (Ind/Fam)	None	\$3,300/\$6,000	
Out of Pocket Max (Ind/Fam)	\$4,500/\$9,000	\$4,000/\$8,000	
Embedded or Non Embedded OOP	Embedded	Embedded	
Coinurance	100%	100%	
PCP/Specialist Office Visit	\$25/\$50	0% after ded	
Preventive Care	No Cost	No Cost	
Urgent Care	\$25	0% after ded	
Emergency Room	Facility: \$250, Doctor: No charge	0% after ded	
Inpatient Hospital	Facility: \$350/day up to 5 day max (\$1750), Doctor: No charge	0% after ded	
Outpatient Surgery	Facility: \$300, Doctor: No charge	0% after ded	
Labs	Office: \$25/\$50 Outpatient or independent lab: No charge	0% after ded	
X-rays	Office: \$25/\$50 Outpatient hospital: No charge	0% after ded	
Advanced Diagnostic Imaging	20% coinsurance	0% after ded	
Telemedicine	\$25	0% after ded	
Vision Exam	\$15	\$15	

		OAP	CDWP w HSA
Prescription Drug			
Formulary	Standard	Standard	
Deductible	\$150/\$300 tiers 2,3,4	Medical Deductible applies Preventative Main. Meds Covered before ded	
Retail (Tier 1,2,3,4)	\$15/\$40/\$75 20% to \$200 Self Administered Injectables: 20%	\$15/\$40/\$75/\$80 after deductible	
Mail Order (Tier 1, 2,3,4)	\$38/\$100/\$188 Self Administered injectables: 20%	\$38/\$100/\$188/\$200 after deductible	
Out of Network			
Deductible (Ind/Fam)	\$1,000/\$2,000	\$6,000/\$12,000	
Out of Pocket Max (Ind/Fam)	\$5,500/\$11,000	\$8,000/\$16,000	
Coinurance	30%	30%	

Through our medical insurance broker, Marsh & McLennan, GRTC's medical plans were competitively marketed and GRTC received proposals from Cigna (Incumbent vendor), Anthem, Aetna and Sentara. Based upon the proposals received, Cigna and Anthem were determined to be the leading proposals and GRTC through Marsh & McLennan negotiated final proposals with Cigna's offering being the preferred choice.

The OAP and CDWP medical plans are fully insured medical plans and pricing is based upon GRTC claims experience. Due to medical claims increasing relative to premiums paid over the preceding plan years, GRTC experienced prior plan year renewal increases of 13.0% (January 2023), 7.5% (January 2024) and 4.65% (January 2025) as actual paid claims exceeded the targeted loss ratio of 85%. During the last 18 months GRTC's, claims experience has demonstrated improvement and through negotiation with Cigna, a 2.0% decrease was set for the medical plan year March 1, 2026 – February 28, 2027.

The below table reflects the impact on coverage premiums by coverage class for monthly premiums.

	Existing			March 2026 - February 2027		
	Cigna OAP National Network	Cigna CDWP	GRTC HSA Funding for CDWP	Cigna OAP National Network	Cigna CDWP	GRTC HSA Funding for CDWP
Employee Only	\$1,464.70	\$889.07	\$259,200	\$1,435.12	\$871.13	\$252,000
Employee + Child(ren)	\$2,497.22	\$1,513.66	\$93,600	\$2,446.80	\$1,483.13	\$97,500
Employee + Spouse	\$2,831.04	\$1,718.50	\$78,000	\$2,773.87	\$1,683.83	\$78,000
Employee + Family	\$4,447.10	\$2,699.52	\$50,700	\$4,357.30	\$2,645.06	\$50,700
Monthly Premium	\$554,820	\$200,658	\$40,125	\$543,616	\$196,609	\$39,850
Annual Premium	\$6,657,840	\$2,407,896	\$481,500	\$6,523,392	\$2,359,308	\$478,200
Combined Annual Premium	\$9,065,736		\$481,500	\$8,882,700		\$478,200
	% Change			-2.02%		-0.69%
	\$ Change			-\$183,036		\$ (3,300)

The CDWP is a fully insured medical plan but due to the deductibles and accompanying HSA funded accounts, the premiums for these types of policies are more cost effective to the sponsor but provide the same healthcare network. Accordingly, GRTC Management is recommending the below employee contribution percentages and HSA funding for the active employees who opt for the CDWP:

	Existing			March 2026 - February 2027		
	Cigna OAP National Network	Cigna CDWP	GRTC HSA Funding for CDWP	Cigna OAP National Network	Cigna CDWP	GRTC HSA Funding for CDWP
Employee Only	15.0%	0.0%	\$2,400.00	15.0%	0.0%	\$2,400.00
Employee + Child(ren)	15.0%	10.0%	\$3,900.00	15.0%	10.0%	\$3,900.00
Employee + Spouse	15.0%	10.0%	\$3,900.00	15.0%	10.0%	\$3,900.00
Employee + Family	15.0%	10.0%	\$3,900.00	15.0%	10.0%	\$3,900.00

The employee enrollment assumptions across the two plan periods are as follows which details an increase in the participation in the CDWP:

	Existing			March 2026 - February 2027		
	Cigna OAP National Network	Cigna CDWP	GRTC HSA Funding for CDWP	Cigna OAP National Network	Cigna CDWP	GRTC HSA Funding for CDWP
Employee Only	172	108	\$259,200	168	105	\$252,000
Employee + Child(ren)	41	24	\$93,600	43	25	\$97,500
Employee + Spouse	36	20	\$78,000	35	20	\$78,000
Employee + Family	23	13	\$50,700	23	13	\$50,700
Total	272	165	\$481,500	269	163	\$478,200

It is management's intention to continue the level of HSA funding noted above in the future renewal periods.

For employees who opt out of the GRTC medical insurance program, GRTC provides funding of \$200 per month (\$2,400 annually) which is equivalent to the funding level of the HSA for an employee only coverage.

RECOMMENDATION

That the Board of Directors authorize the GRTC Chief Executive Officer to execute a contract with Cigna to provide the OAP and CDWP medical plans for the medical benefit period of March 1, 2026 – February 28, 2027, and authorize the HSA GRTC Employer funding contribution levels of Employee only coverage of \$2,400, Employee plus Children, Employee plus spouse and Employee plus family of \$3,900 per year for eligible employees who enroll in the CDWP for the medical benefit period of March 1, 2026 – February 28, 2027 and to provide funding for employees who opt out of GRTC Medical Insurance Coverage \$200 per month (\$2,400 annually).

Ellen Robertson, Secretary
GRTC Board of Directors

Date