

Updates and Renewal 2026

City of Manitowoc





Agenda

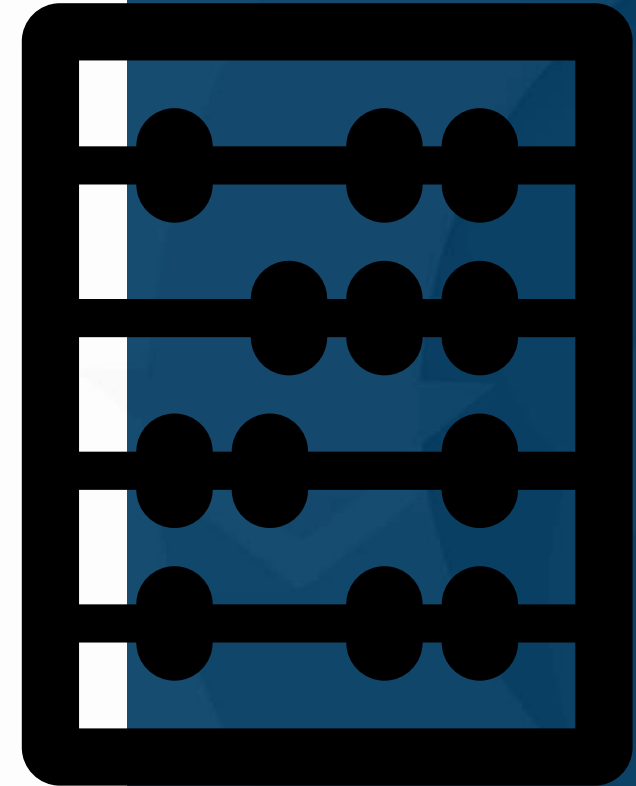
- Renewals
- Reporting and Analytics - What to expect in 2026
- Innovations and Next Steps 2026
 - Plan Design, Transparent tools and Contributions
 - Wellness Program and Manty Clinic- 2026
 - Communications for EE in 2026 – *key focus item*
 - Risk Map/Project Plan 2026 and beyond

2026 Renewal Summary

Line of Coverage	Vendor/Insurance Carrier	Current	Renewal Rates
Group Medical / TPA	Health Partners/Robin	\$2.41 PMPM \$16,785 Annually	\$47.25 PMPM \$110, 863 Annually
Stop Loss Coverage	Symetra	\$847,122 Annually	TBD
Transplant Coverage	TBD	-	TBD
Pharmacy Benefit Manager	Current – Health Partners Move to NCRx with CVS 2026	\$0.00	\$0.25
Self-Funded Dental Administration	Delta Dental of Wisconsin	\$4.70 PEPM	\$4.70 PEPM
Fully Insured Vision	Current – NVA Move to Delta Vision 2026	\$2,157 Annually	\$1,778 Annually
Voluntary STD	Mutual of Omaha	Age Rated	Age Rated (Rate Hold)
Voluntary LTD	Mutual of Omaha	Age Rated	Age Rated (Rate Hold)
Voluntary Critical Illness	Mutual of Omaha	Age Rated	Age Rated (Rate Hold)
Voluntary Accident	Mutual Of Omaha		Rate Hold

Financial summary

1. 2 year over year Med/RX
2. Renewal Calculations
3. High-cost member over actual claims both years



Year over Year Summary

	Paid Medical	Paid Rx
January - 2024	\$1,201,704	\$36,155
February - 2024	\$184,835	\$39,255
March – 2024	\$335,364	\$59,695
April – 2024	\$174,638	\$59,981
May – 2024	\$324,861	\$115,566
June – 2024	\$172,105	\$51,919
July-2024	\$271,911	\$67,935
August – 2024	\$136,078	\$72,538
September – 2024	\$119,484	\$64,044
October - 2024	\$256,433	\$97,734
November – 2024	\$139,069	\$61,925
December - 2024	\$310,525	\$54,721
TOTAL	\$3,627,006	\$781,468

	Paid Medical	Paid Rx
January – 2025	\$226,853	\$44,786
February – 2025	\$161,696	\$52,845
March – 2025	\$364,066	\$50,749
April – 2025	\$518,659	\$113,950
May – 2025	\$984,634	\$80,370
June – 2025	\$1,216,305	\$60,718
July-2025	\$792,264	\$95,340
August – 2025		
September – 2025		
October – 2025		
November – 2025		
December - 2025		
TOTAL YTD	\$4,264,536	\$498,759

Renewal Calculations

Annual Cost Summary

Total Medical & Drug Costs				
	Current	Projected	% Change	\$ Change
Specific	\$841,479	\$1,026,598	22%	\$185,119
Aggregate	\$29,171	\$30,636	5%	\$1,465
Transplant	\$0	\$37,680		\$37,680
Med & Rx Administration	\$16,694	\$110,267	561%	\$93,573
Total Fixed Cost	\$887,345	\$1,205,182	36%	\$317,837
Claims Cost	\$3,087,124	\$3,435,980	11%	\$348,856
Total Fixed & Claims Cost	\$3,974,469	\$4,641,162	17%	\$666,693

Total Dental Costs				
	Current	Projected	% Change	\$ Change
Fixed Cost	\$11,167	\$11,500	3%	\$333
Claims Cost	\$209,343	\$213,564	2%	\$4,221
Total Fixed & Claims Cost	\$220,510	\$225,064	2%	\$4,554

Total Cost Summary				
	Current	Projected	% Change	\$ Change
Fixed Cost	\$898,512	\$1,216,681	35%	\$318,170
Claims Cost	\$3,296,467	\$3,649,544	11%	\$353,077
Total Fixed & Claims Cost	\$4,194,979	\$4,866,225	16%	\$671,247

Calculations include savings from PBM change to NCRx

High-Cost Claimants (year over year)

YTD 2025

Member	Total Spend
Member 1	\$2,396,382
Member 2	\$329,370
Member 3	\$136,869
Member 4	\$128,316
Member 5	\$102,711
Member 6	\$82,555
Member 7	\$61,424
Member 8	\$60,504
Member 9	\$56,859
Member 10	\$56,219
Member 11	\$56,036
Member 12	\$51,599
Member 13	\$50,291
TOTAL	\$3,569,134

Total Reimbursed YTD 2025
\$1,869,945

2024

Member	Total Spend
Member 1	\$1,569,967
Member 2	\$104,868
Member 3	\$201,144
Member 4	\$91,232
Member 5	\$57,281
Member 6	\$132,785
Member 7	\$84,261
Member 8	\$174,208
Member 9	\$83,231
Member 10	\$65,855
Member 11	\$135,236
Member 12	\$54,811
TOTAL	\$2,754,879.00

Total Reimbursed 2024
\$1,682,972

Rx Savings Analysis



City of Manitowoc

Pharmacy Benefit Manager Cost Comparison effective 01/01/2026 (based on 2024 claims)

	Health Partners	Navitus	NCRx	Smith Rx
	<i>Formulary</i>	<i>Broad Network & Costco Mail Order Lumicera specialty program</i>	<i>ACF</i>	
Current Member Count	488	488	488	488
Current Employee Count				
PBM AND/OR CARRIER ADMINISTRATIVE FEES				
PBM Administrative Fee (Per Member per Month)		\$6.20	\$0.25	\$8.00
Retail Immunization Program Fee	--	\$0.00	\$0.05	--
Health Partners Rx Carve out Fee		\$4.00	\$4.00	\$4.00
PLAN COST - OVERVIEW				
Gross Claim Amount Paid	\$877,513	\$903,164	\$915,714	\$943,219
Annual PBM Administrative Fees	\$0	\$36,307	\$1,757	\$46,848
TPA/Pharmacy Credit (\$35.94 PMPM)	(\$17,539)	--	--	--
Rebate Guarantee		--	(\$452,080)	--
Annual Health Partners Rx Carve Out Fee		\$23,424.00	\$23,424.00	\$23,424.00
Rebates from PBM		(\$89,545)	--	(\$243,622)
Total Drug Spend after Rebates	\$859,974	\$873,350	\$488,815	\$769,869
\$ Change Compared to Current	--	\$13,376	(\$371,159)	(\$90,105)
% Change Compared to Current	--	1.56%	-43.16%	-10.48%

Changes 2026

Health Partners/Robin

- Will remain as the TPA

Pharmacy moves to National RX 1/1/26

Savings - \$371,159

Disruption – 7 Members (1.4%)

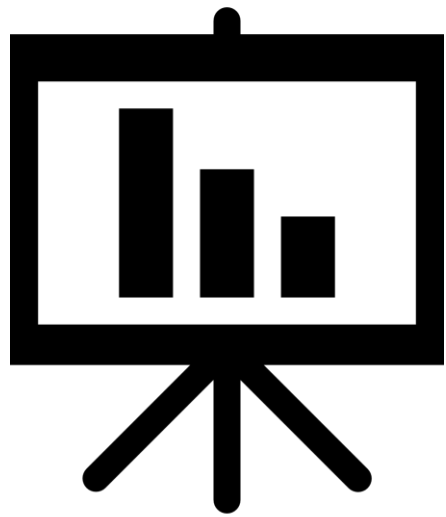
Vision moves to Delta

Stop Loss -Addition of Transplant Rider

Stop Loss - Addition of Gene and Cell Therapy Riders



What have we looked at?



- Compliance
- Review of all vendors and Contracts
- Market trends
- Manty Clinic and Vitality– Reporting and Contracts
- 2026 Parking lot
 - Wellness program review or additions
 - Other lines of coverage?
 - Remove legal low participations?
 - Id theft
 - Continuation of Communications strategy
 - Developing ways to stay ahead of your Risk
 - Monitor ROI of programs
 - Vendor Partnerships for 2027

Executive Summary

2025

2025 will bring challenges for employers as health care costs rise 7%-8%, new transparency mandates take effect, and employee expectations for wellness, voluntary benefits, and financial support continue to grow. Employers must adapt by balancing cost management strategies with competitive offerings to attract and retain a multigenerational workforce.

01

RISING COSTS

Health care costs are projected to increase 7%-8%, driven by specialty drugs (GLP-1s), chronic conditions, and an aging population.

02

TRANSPARENCY

New mandates for price comparison tools and reporting increase compliance needs for employers.

03

TELEMEDICINE

Telehealth remains a cost-effective solution, though HSA eligibility challenges may arise.

04

VOLUNTARY BENEFITS

Supplemental health plans, student loan repayment, and cybersecurity protection are top priorities for employees.

05

LABOR MARKET

Pay transparency and competitive benefits are critical as Millennials and Gen Z dominate the workforce.

06

NEW ADMINISTRATION

Policy shifts may affect ACA subsidies, Medicaid funding, and prescription drug pricing.

Market Trends & Outlook



Financial Health

- Student Loan Repayment
- Financial Wellness Counseling
- Financial Wellness Tools
- Retirement Planning
- Voluntary Life and Disability Offerings
- Identity Theft Protection



Family Forming

- Adoption Benefits
- Paid Parental Leave / Family Bonding
- Fertility Benefits



Labor & Talent

- Increased Compensation to meet Inflation
- Skilled-Based Hiring vs. Hiring Based on Education
- Increased demand for Hybrid / Remote Employment



Physical and Mental Well-Being

- Enhanced Mental Health Resources (Access)
- Virtual Care
- Employee Well-Being at Work Programs (Peer Champion Programs)
- Company promotion / awareness of diversity, equity, inclusion, and belonging (DEIB)
- Primary Care Engagement
- Gym Memberships



Pharmacy

- GLP-1 Drug Coverage for Weight Loss (Ozempic / Wegovy)
- Biosimilars
- Narrow Networks
- Addition of Preventive Maintenance Drugs for HSA Plans
- International Drug Sourcing
- Specialty Pharmacy Markets (OptiMed) – MAP, International Sourcing, Coupons



Benefits

- Gene & Cell Therapy/Excess Risk Policies
- Gender Dysphoria
- Voluntary Benefits (Accident, CI, HI, Pet Insurance, Legal, Cyber)
- Consumerism Tools /Transparency
- Lifestyle Saving Accounts
- Integrated Virtual Care (Mental Health & PT)
- Onsite / Nearsite Clinics
- Health Management Programs (Diabetes, Hypertension)
- Spousal Carve-Out / Surcharge
- Dependent Audits
- Mobile Dentistry
- ICHRA's
- Referenced Based Pricing
- Managed Transplant Policies



Compliance

- NQTL
- CAA Reporting
- ACA
- ERISA
- Expansion of State Leave and Disability Mandates



Cyber Security

- Cyber Liability Insurance
- Cyber Risk Awareness Training

Rising Costs of Employer Health Benefits

Health care costs are projected to increase by 7%-8% in 2025, driven by specialty medications, chronic conditions, and aging populations.

Key Points:

- GLP-1 drugs cost \$1,000+/month and must be taken long-term.
- Chronic conditions account for 90% of U.S. health care spending.
- An aging population (55M+ aged 65+) drives utilization.

Takeaway:

Employers should explore cost-sharing strategies and focus on preventive care to manage chronic disease costs.



New Administration

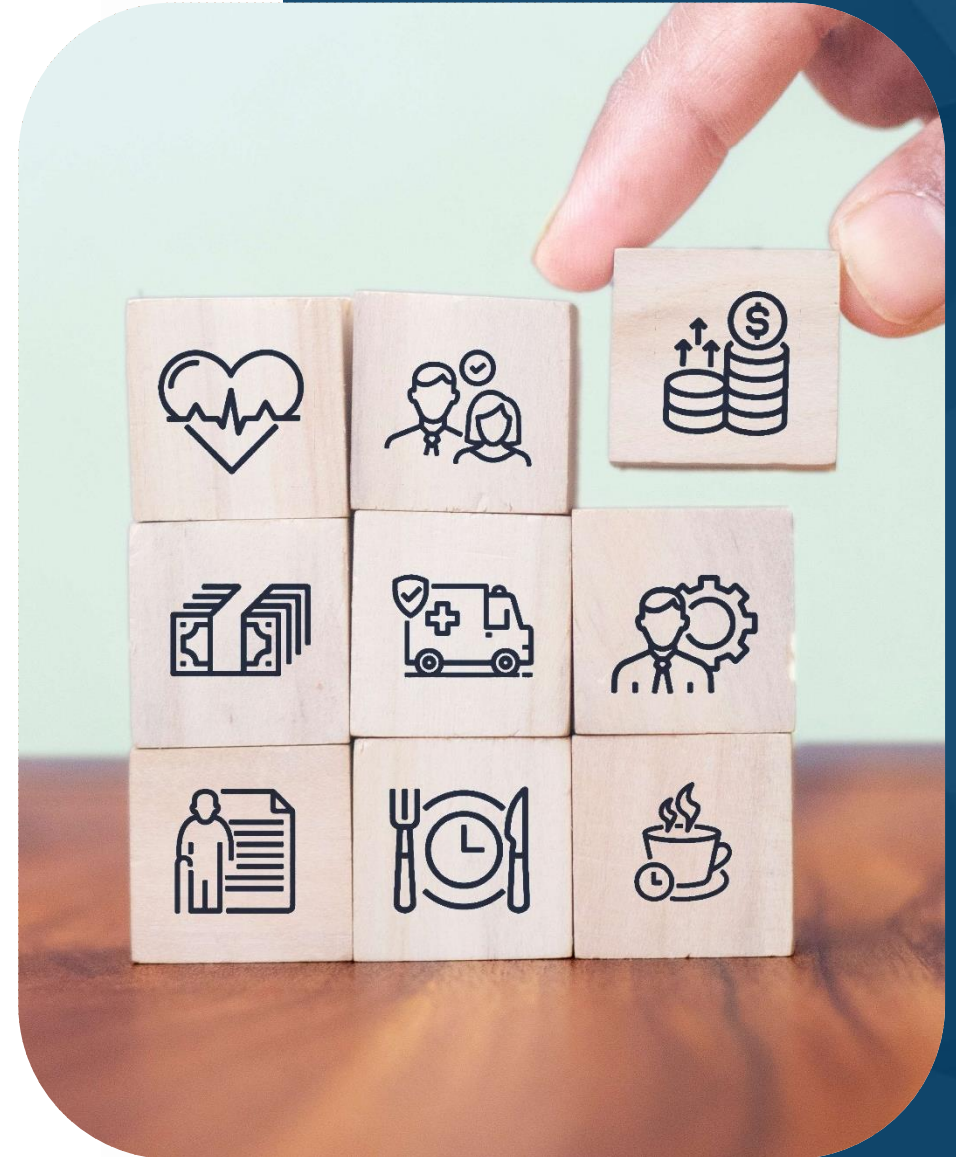
Policy changes under the new administration may impact ACA subsidies, Medicaid, and prescription drug pricing.

Key Points:

- ACA subsidies set to expire at the end of 2025, potentially raising premiums.
- Medicaid cuts could impact low-income employees and rural health care.
- PBM reforms and drug pricing legislation are key areas to monitor.

Takeaway:

Stay informed on regulatory changes and prepare contingency plans to adjust benefits strategies as needed.





Trends Shaping the Labor Market

Pay transparency, workforce demographics, and turnover are key labor market trends for 2025.

Key Points:

- Compensation remains the top driver for job changes.
- Millennials and Gen Z will make up 67% of the workforce by 2025.
- 38% of employees are considering leaving their jobs in 2025.

Takeaway:

Focus on competitive compensation, transparent pay practices, and benefits that attract multigenerational talent.

Wellness Challenges

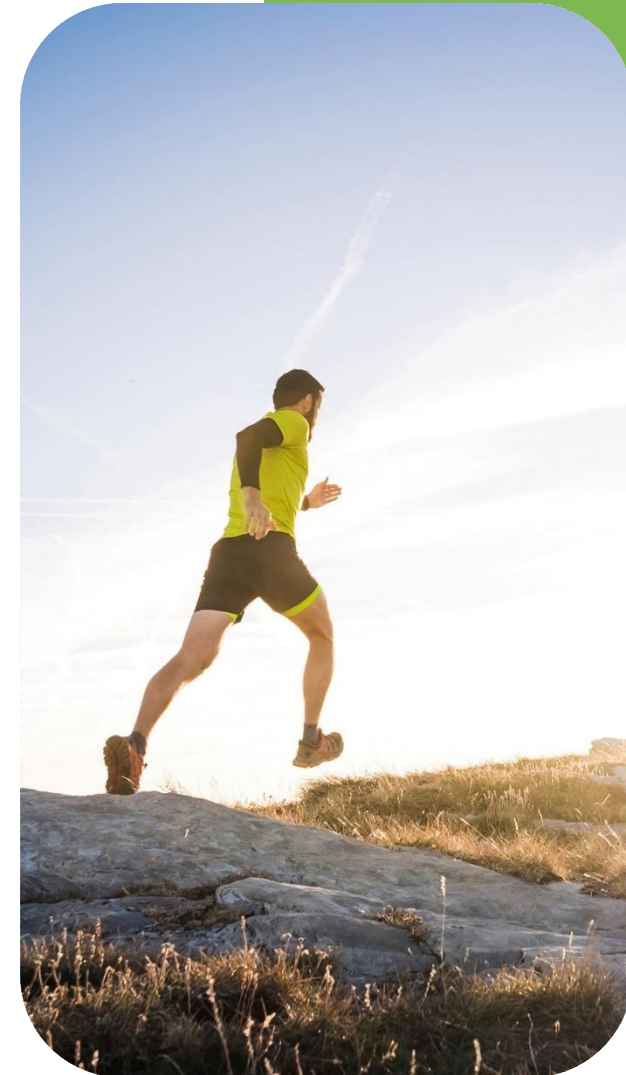
Rising obesity rates, financial stress, and burnout are key wellness challenges for employees in 2025.

Key Points:

- 40.3% of adults have obesity, driving \$173 billion in annual costs.
- 62% of Americans live paycheck to paycheck.
- Burnout affects 82% of employees, regardless of work setting.

Takeaway:

Invest in comprehensive wellness programs addressing physical, financial, and mental health.



The Importance of Effective Communication

An employee's *perceived* value of a benefits plan, can either be enhanced or diminished by the communication strategy.

Recruit & Retain: Effective benefits communication can tie it all together

% of employees responding favorably concerning their benefits

	Above average healthcare benefits	Below average healthcare benefits
<u>With</u> effective benefit communication	83.6%	76.2%
<u>Without</u> effective benefit communication	25.7%	22.1%