



Health Insurance Update

February 2026

Presented By:

Dustin Kuehn, Senior Benefits Consultant/VP – Gehring Group/RSC



Agenda

- **Self Funded Claims Performance**
- **Industry trends**
- **Cost mitigation strategies**
- **Local Entity Benchmark**
- **2026 Timeline**
- **Questions**

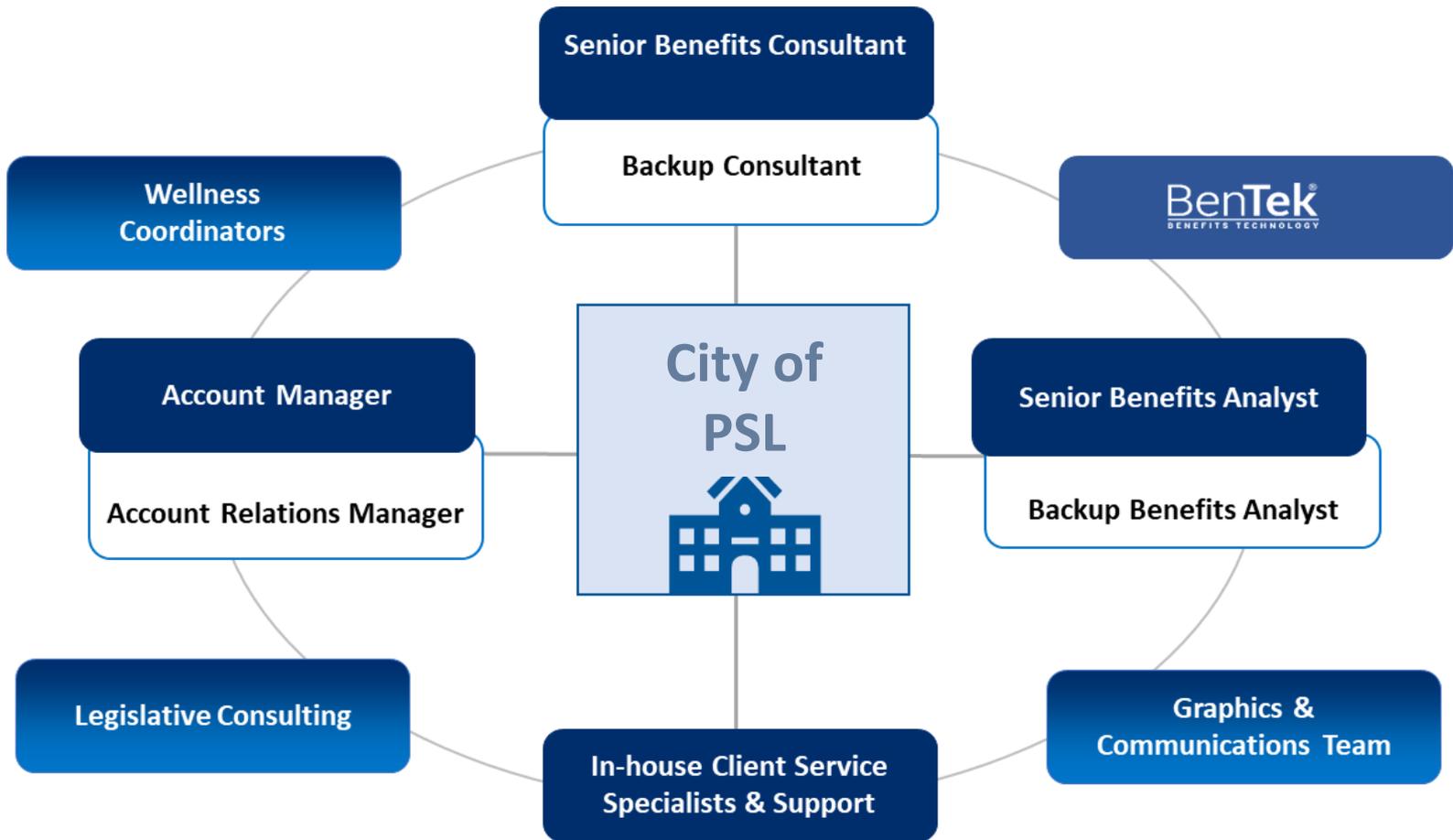


Consultant Overview

- **Gehring Group, part of Brown & Brown**
- **City employee benefits consultant since 2011**
 - Medical, dental, vision, disability, employee health center, life, EAP, supplemental benefits, FSA, HRA, legal insurance, wellness
 - Claims monitoring, RFP support, cost mitigation, open enrollment support, employee advocacy, compliance, wellness strategy
- **Local & Public Sector Specialization**
 - St Lucie Fire Trust, St Lucie Sheriff, St Lucie Tax Collector, Martin County BOCC, City of Stuart, Martin County Sheriff, Martin County School District, City of West Palm, City of FTL, City of Coral Springs
- **30+ years serving the public sector**
 - 96.8% retention rate
- **Bentek** – open enrollment technology and eligibility management



Consultant Overview



Health Insurance Overview

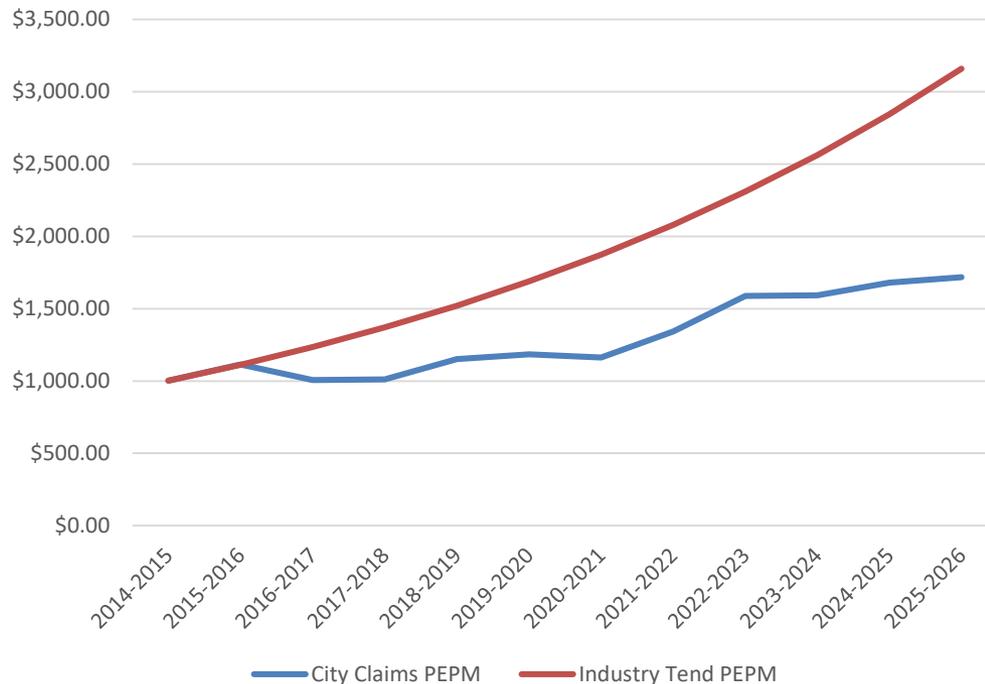
- **City's plan is self insured**
 - Contracts Florida Blue as third-party administrator (TPA)
 - Utilizes Florida Blue's network of providers and discounted fees
 - Utilizes Prime Therapeutics as pharmacy benefit manager (PBM)
 - Subsidiary of Florida Blue/BCBS
 - City pays claims as they are incurred by members
 - Stop loss insurance in place to cap claims at \$500,000 per member per plan year



Historic Performance

- **City's Claims Trend:**

- City Actual: 5.34% per year
- Industry Trend: 11% per year
- Equates to \$18+ million in savings since 2014



Actual Claims History:		
Plan Year	Claims Per EE	Inc/Dec
2014-2015	\$1,001.79	N/a
2015-2016	\$1,114.78	11.28%
2016-2017	\$1,007.14	-9.66%
2017-2018	\$1,010.17	0.30%
2018-2019	\$1,151.50	13.99%
2019-2020	\$1,183.70	2.80%
2020-2021	\$1,161.52	-1.87%
2021-2022	\$1,342.78	15.61%
2022-2023	\$1,588.21	18.28%
2023-2024	\$1,592.30	0.14%
2024-2025	\$1,680.79	5.56%
2025-2026	\$1,716.95	2.15%
Average Increase:		5.34%



Historic Performance

2023-2024



Gross Medical/Rx Claims PEPM
2023-2024 vs. 2022-2023 Plan Year

0.1%

Average Enrollment

5.1%



Financial Performance

\$1,678,115 surplus

2024-2025



Gross Medical/Rx Claims PEPM
2024-2025 vs. 2023-2024 Plan Year

5.6%

Average Enrollment

3.7%

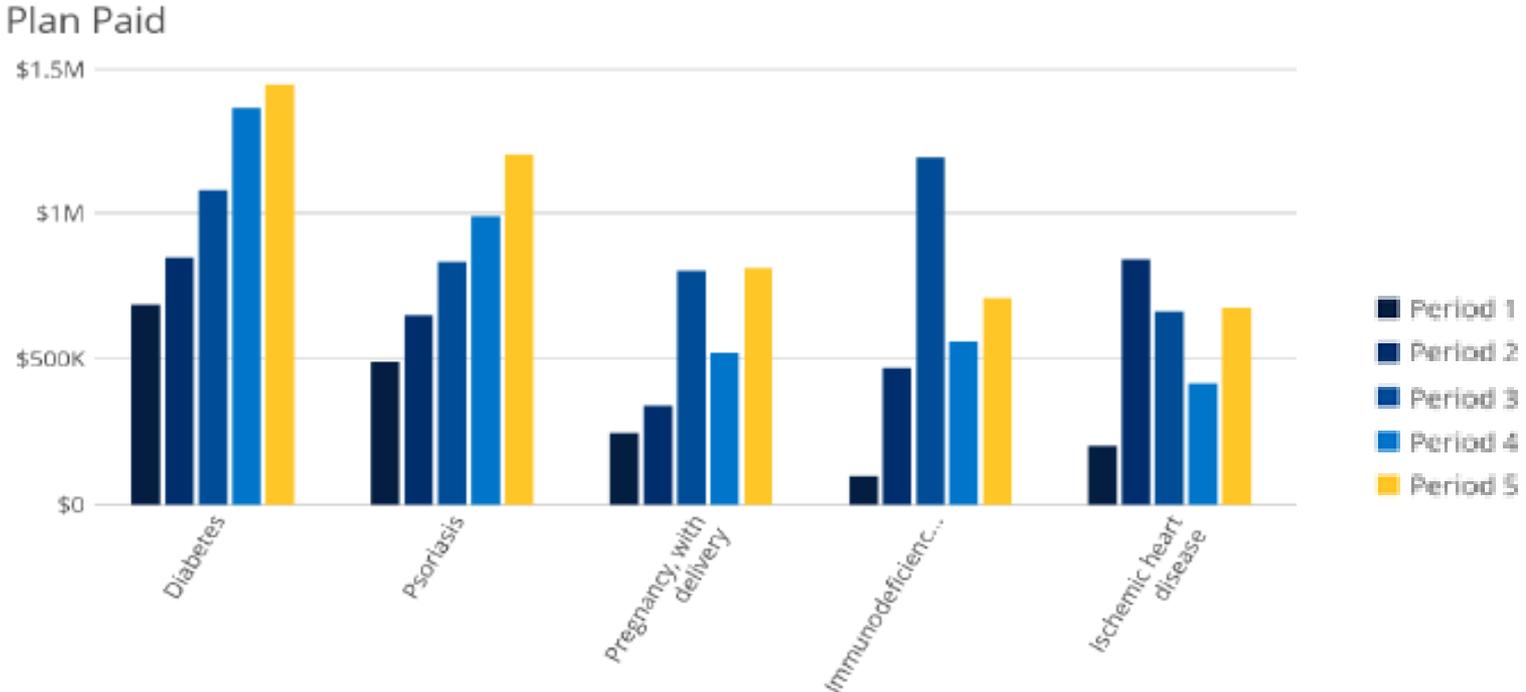


Financial Performance

\$2,125,716 surplus

Claims Experience

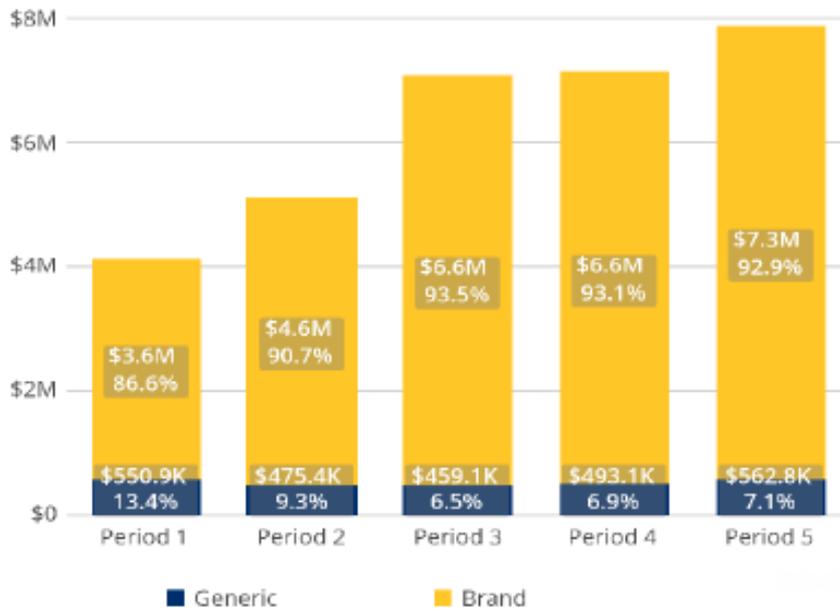
Top Conditions by Plan Paid



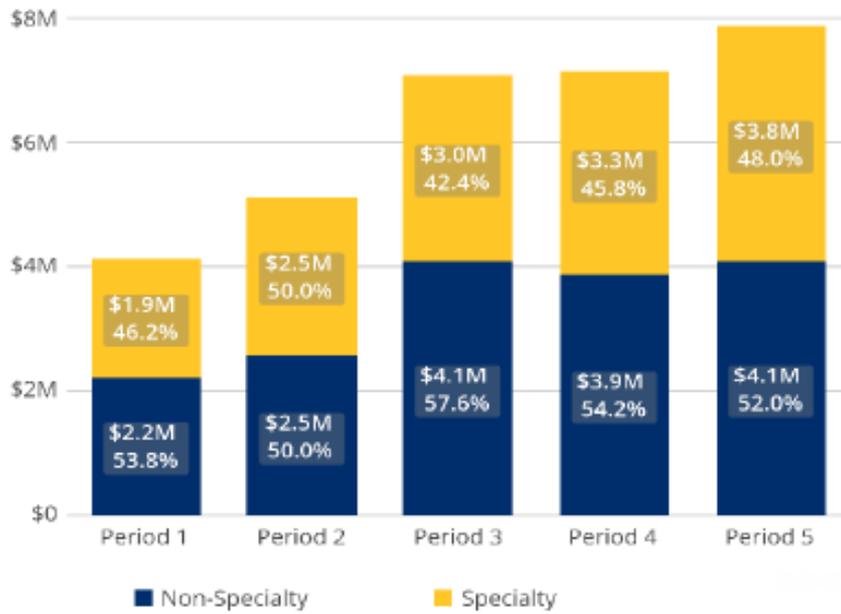
Claims Experience

Prescription Utilization

Brand vs Generic Spend



Specialty vs Non-Specialty Spend



Industry Trends

Trend Factors:

- Increased use of diagnostic tests and treatments is driving higher healthcare utilization.
- Medicare/Medicaid reimbursement limits push providers to shift unreimbursed costs to commercial plans.
- Hospital consolidation boosts provider bargaining power, resulting in higher contracted fees.
- New medical technologies and treatments raise costs due to high research and development expenses.
- Growth in quality-of-life and lifestyle prescription drugs increases overall utilization.
- Direct-to-consumer drug marketing drives demand for specific medications.
- Rising use of gene therapy, biotech drugs, and other specialty medications increases costs.
- Drug manufacturers set higher prices to recover R&D costs and maintain margins.
- Some manufacturers significantly increase generic drug prices despite remaining cheaper than brand-name options.
- Manufacturer coupon programs steer consumers toward higher-cost branded drugs over lower-cost alternatives.



Cost mitigation

- **Employee Health Center**
 - Average ROI: 2.67 to 1
 - Capturing medical and prescription utilization in a lower cost setting
 - Acute & chronic care, physicals, occupation health, labs, x-rays, generic medication dispensing
 - Prevention and wellness promotion
 - \$0 visits and Rx for eligible members (employees and dependents on medical insurance)



Cost mitigation

Wellness Program: Earn up to \$500, redeemable as one of the following: HRA contributions, medical premium reductions, or a lump-sum payment.

Table 1: Wellness Initiative Program through the Employee Health Center (10/1/25–9/30/26)

Measurement	Target		Management Program	Incentive
Completion of a Health Risk Assessment (HRA) and Biometrics Screening (must be completed by 9/18/26)				\$75
Weight Measurement A. Body Mass Index (BMI) OR B. Waist Circumference	BMI: 25 or less OR A waist circumference: Male <= 40 inches or Females <= 35 inches	If target not met, then enroll in one of these programs through the Clinic. Please note the length of programs on the following page to allow adequate time to complete prior to September 30, 2026.	Weight Management	\$50
Blood Sugar	100 mg/dL or less OR HGB A1C 6.0 or less		Diabetes Management	\$50
Cholesterol	Total: 199mg/dL or less OR HDL: 59mg/dL or above		Cholesterol Management	\$50
Blood Pressure	Systolic: 135 or less Diastolic: 85 or less		Hypertension Management	\$50
Nicotine Use	No use detected		Nicotine Cessation	\$50

In addition to the \$325 above, earn up to \$175 for participation in additional programs provided by Human Resources



Cost mitigation

- **Life Scan Preventive Screenings**
 - No cost to employees to help reduce claims
- **Regenexx**
 - Implemented 2022 as custom benefit
 - Orthopedic non-surgical treatment (PRP/Stem Cell)
 - Average cost of \$6,500 per treatment vs \$15,000 surgery
 - 66% reduction in surgical spend 1st year (\$521,145 savings)
 - Average ROI: 1.7 to 1
- **Plan Design Changes**
 - Moderately increased copays and deductibles to reduce employee premiums and keep pace with medical inflation



Cost mitigation

- **Prescription plan negotiations**

- Generic & Brand Name Rx discount enhancements
- Enhanced Rx rebates passed through to City

Plan Year	Annual Rx Rebates
2021-22	\$921,465
2022-23	\$1,447,425
2023-24	\$2,526,509
2024-25	\$2,763,274
2025-26 (estimated)	\$3,029,841

- **Request for Proposal (RFP) negotiations**

- Upcoming RFP for 10/1/26 renewal
- New HDHP Offering – lower premiums



Cost mitigation

- **Request for Proposal (RFP) negotiations**
 - 2017: Supplemental Benefits
 - 2018: Health Reimbursement Account
 - 2019: Clinic & Life / Disability
 - 2020: Health Reimbursement / FSA & Pet Insurance
 - 2021: Medical & Rx Market Analysis
 - 2022: Stop Loss Insurance
 - 2023: Employee Assistance Program
 - 2024: Medical/Rx Benchmark, Stop Loss, Life/Disability, & FMLA
 - 2025: Medical Insurance Contribution Benchmark
 - 2026: Targeting releasing medical & Rx RFP



Local Entity Survey

- **Benchmark Survey Includes:**
 - St Lucie Fire District Trust
 - St Lucie Sheriff's Office
 - St Lucie School District
 - Martin County BOCC
 - St Lucie County BOCC
- **Compares Base (lowest cost) & Buy-Up (highest Cost) plans**
- **Normalizes 2/3/4 tier rate structure**
- **Includes in network benefits only (no out of network)**



Local Entity Survey - 2026

	City of Port St Lucie		St Lucie Fire Trust		St Lucie Sheriff's Office		St Lucie School District		Martin BOCC	St Lucie BOCC	
	Florida Blue		Aetna		Florida Blue		Florida Blue		Florida Blue	Florida Blue	
	0727 Plan	0702 Plan	Silver	Gold	Base	Buy-Up	05907	05180/81	3769	Base	Buy-Up
Calendar Year Deductible											
Single	\$750	\$500	\$2,000	\$500	\$750	\$500	\$7,500	\$2,500	\$500	\$2,500	\$500
Family	\$2,250	\$1,500	\$4,000	\$1,500	\$2,250	\$1,500	\$15,000	\$5,000	\$1,500	\$5,000	\$1,500
ER Funded HRA/H.S.A.											
Single	\$500	\$500	\$250	\$250	\$250	\$0	\$0	\$600	\$470	\$0	\$0
Family	\$500	\$500	\$1,000	\$1,000	\$500	\$0	\$0	\$600	\$940	\$0	\$0
Out of Pocket Maximum											
Single	\$3,000	\$2,500	\$5,000	\$3,000	\$3,500	\$2,500	\$10,150	\$5,500	\$3,000	\$6,850	\$4,000
Family	\$9,000	\$7,500	\$10,000	\$9,000	\$7,000	\$7,500	\$20,300	\$11,000	\$6,000	\$13,700	\$13,200
Coinsurance	30%	30%	20%	20%	20%	10%	30%	20%	20%	20%	20%
Physician Services											
Primary Care Physician Office Visit	\$30	\$25	20% after CYD	20% after CYD	\$30	\$25	30% after CYD	20% after CYD	\$25	20% after CYD	20% after CYD
Specialist Visit	\$60	\$50	20% after CYD	20% after CYD	\$60	\$50	30% after CYD	20% after CYD	\$50	20% after CYD	20% after CYD
Hospital											
Inpatient (Per Admission)	30% After CYD	30% After CYD	20% after CYD	20% after CYD	20% after CYD	10% after CYD	30% after CYD	20% after CYD	20% after CYD	20% after CYD	20% after CYD
Outpatient (Per Visit)	\$500	30% After CYD	20% after CYD	20% after CYD	20% after CYD	10% after CYD	30% after CYD	20% after CYD	20% after CYD	20% after CYD	20% after CYD
Emergency Room Visit	\$500	\$250	20% after CYD	20% after CYD	\$250	10% after CYD	30% after CYD	20% after CYD	\$300	\$250 + 20% after CYD	\$250 + 20% after CYD
Prescription Drugs											
Generic	\$10	\$10	20%	20%	\$15	\$15	\$10 after CYD	\$10 after CYD	\$15	\$10	\$6
Preferred Brand Name	\$45	\$45	20%	20%	\$45	\$45	30% after CYD	\$50 after CYD	\$30	\$50	\$50
Non-Preferred Brand Name	\$75	\$75	20%	20%	\$75	\$75	30% after CYD	\$100 after CYD	\$50	\$100	\$75

Local Entity Survey

	Benchmark Average		City of PSL	
	Base	Buy-Up	Base	Buy-Up
Calendar Year Deductible				
Single	\$2,650	\$1,000	\$750	\$500
Family	\$5,550	\$2,375	\$2,250	\$1,500
ER Funded HRA/H.S.A.				
Single	\$194	\$213	\$500	\$500
Family	\$488	\$400	\$500	\$500
Out of Pocket Maximum				
Single	\$5,700	\$3,750	\$3,000	\$2,500
Family	\$11,400	\$10,175	\$9,000	\$7,500

- Overall, the City's plan is much more competitive vs the surveyed entities noting the lower deductible and out of pocket maximums.
- The City also offers more funds into a HRA which can be used to offset medical expenses.
- The norm is for the deductible to apply to most medical and Rx services however the City is also more competitive in that most services are a flat copay without the deductible applying.



Local Entity Survey

	Benchmark Average		City of PSL	
	Base	Buy-Up	Base	Traditional
Employee Monthly Costs				
Employee Only	\$93.91	\$194.90	\$70.93	\$147.62
Employee + Spouse/One	\$379.13	\$624.22	\$354.65	\$455.17
Employee + Child/One	\$379.13	\$608.19	\$262.44	\$336.83
Family	\$504.56	\$869.12	\$531.98	\$664.55

- The employee's cost for the City's Base Plan & the Traditional Plan are below the benchmark.

Note: 82% of the City's enrollment is in the Traditional Plan

Timeline of Expectations

<u>Insurance Coverage</u>	<u>Insurance Carrier</u>	<u>Renewal Date</u>	<u>Contract Expiration</u>
Reinsurance/ Stop Loss	Florida Blue/ISU	October 1, 2026	Annual
Medical & Prescription ASO	Florida Blue	October 1, 2026	9/30/2026
Dental ASO	Florida Combined Life	October 1, 2029	9/30/2029
Vision ASO	VSP	October 1, 2029	9/30/2029
Life and AD&D	The Standard	January 1, 2027	9/30/2027
Long Term Disability	The Standard	January 1, 2027	9/30/2027
Short Term Disability	The Standard	January 1, 2027	9/30/2027
Life + LTC	Trustmark	Ongoing	Continuous
Employee Assistance Program	Evernorth (Cigna)	October 1, 2026	9/30/2026
Orthopedic Alt	Regenexx	January 1, 2027	Continuous
Supplemental	Aflac	Ongoing	Continuous
Supplemental (Whole Life)	Metropolitan Life	Ongoing	
COBRA Administration	P&A Group	Ongoing	Continuous
FSA/HRA	Chard Snyder	Ongoing	9/30/2026
FMLA	Work & Well	November 11, 2027	11/13/2027

Timeline of Expectations

<u>Proposed Schedule of Activities</u>	
<u>Date</u>	<u>Action</u>
March, 2026	Pre-Renewal Discussion
2/2/2026	Medical ASO & PBM RFP released
2/27/2026	Medical ASO & PBM RFP responses due to Gehring Group
3/2 – 4/17/2026	Medical ASO & PBM RFP responses evaluated by Gehring Group
4/27 - 30/2026 (TBD)	Initial RFP analysis presentation / Renewal Meeting
5/1/2026	Best and Final Offers (BAFO) request
5/13/2026	BAFO responses due to Gehring Group
6/3 - 5/2026 (TBD)	BAFO RFP analysis presentation/ Renewal presentation (if needed)
6/10/2026	Agenda item due for 6/22 council meeting
6/22/2026	Council Meeting - Final Decisions on RFP Results
Late June	Illustrative Stop Loss Renewal received by Gehring Group
06/23 – 7/31/2026	BenTek and Open Enrollment Preparation
08/3 – 08/28/2026	Open Enrollment Meetings
8/28/2026	Open Enrollment Elections Finalized
8/31/2026	Agenda item due for 9/14 council meeting (Stop Loss)
9/14/2026	Council Meeting - Final Decisions on Stop Loss
10/1/2026	Plan Effective Date



Questions?

