



FY27 PLAN YEAR BENEFITS RENEWAL

RS-26-095

June 16, 2026

Background

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- Current providers
 - ▣ Blue Cross Blue Shield of Texas (BCBSTX) – Healthcare
 - Transition to BCBS in FY25 for a 3-year agreement
 - Employee medical plans participation: 1,049
 - ▣ MetLife – Dental
 - Renewed in FY25, rate lock for 2 years
 - Employee dental plans participation: 1,322

Projected Costs

	<u>Total Expense</u>	<u>City Cost</u>	<u>Employee Cost</u>
Self-funded Insurance:			
<u>Medical/RX</u>			
FY26 estimated cost:	\$8,892,066	\$7,296,275	\$1,595,791
FY27 estimated cost:	\$10,143,605	\$8,493,662	\$1,649,943
Fully-funded Insurance:			
<u>Dental</u>			
FY26 cost:	\$794,457	\$398,899	\$395,558
FY27 cost:	\$842,111	\$422,829	\$419,282

Plan Amendments

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- Medical/RX
 - ▣ No changes to plan design.
 - ▣ The City will continue to provide employees with a \$0 premium option on Plan I (High-Deductible Health Plan), all other tiers will increase by \$5 per month.
 - ▣ All tiers of Plan II (Co-Pay Plan) will increase by \$5 per month.
- Dental
 - ▣ No changes to plan design.
 - ▣ The City will continue to provide employees with a \$0 premium option on Plan I.
 - ▣ Premiums across all other plans and tiers will increase 6% (ranges from \$0.32 to \$5.52 per month dependent upon plan/tier selection).

Medical/RX Plans

FY27 Proposed Medical/RX and Dental Contributions

	FY26 Employee Monthly Premium	FY27 Employee Monthly Premium	Employee Increase	FY26 Employer Monthly Contribution	FY27 Employer Monthly Contribution	Employer Increase
<i>Medical Plan I (HDHP w/HSA)*</i>						
Employee Only	\$0.00	\$0.00	\$0.00	\$489.44	\$558.32	\$68.88
Employee/Spouse	\$479.38	\$484.38	\$5.00	\$548.46	\$688.12	\$139.66
Employee/Children	\$157.12	\$162.12	\$5.00	\$791.26	\$919.74	\$128.48
Employee /Family	\$611.14	\$616.14	\$5.00	\$967.94	\$1,185.18	\$217.24
<i>Medical Plan II (Co-Pay)</i>						
Employee Only	\$45.00	\$50.00	\$5.00	\$472.66	\$540.52	\$67.86
Employee/Spouse	\$635.22	\$640.22	\$5.00	\$451.86	\$599.86	\$148.00
Employee/Children	\$240.04	\$245.04	\$5.00	\$763.00	\$890.16	\$127.16
Employee /Family	\$803.44	\$808.44	\$5.00	\$866.66	\$1,096.72	\$230.06

*The City will continue to contribute \$123.46 per month into employee's HSA.

Dental Plans

	FY26 Employee Monthly Premium	FY27 Employee Monthly Premium	Employee Increase	FY26 Employer Monthly Contribution	FY27 Employer Monthly Contribution	Employer Increase
<i>Dental Plans</i>						
<i>Plan I (Orthodontia to age 26)</i>						
Employee Only	\$0.00	\$0.00	\$0.00	\$25.44	\$26.96	\$1.52
Employee/Spouse	\$29.66	\$31.42	\$1.76	\$26.92	\$28.54	\$1.62
Employee/Children	\$35.00	\$37.10	\$2.10	\$27.20	\$28.82	\$1.62
Employee /Family	\$71.56	\$75.84	\$4.28	\$29.00	\$30.74	\$1.74
<i>Dental Plans</i>						
<i>Plan II (Orthodontia any age)</i>						
Employee Only	\$5.50	\$5.82	\$0.32	\$25.72	\$27.26	\$1.54
Employee/Spouse	\$30.90	\$32.76	\$1.86	\$27.00	\$28.60	\$1.60
Employee/Children	\$48.74	\$51.68	\$2.94	\$27.90	\$29.54	\$1.64
Employee /Family	\$91.86	\$97.38	\$5.52	\$30.04	\$31.82	\$1.78

Staff Recommendation

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Staff recommends the City Council approve the City to renew its contract with BCBSTX for its medical/RX plans for an anticipated total cost of \$10,143,605 for FY27 and to renew the City's contract with MetLife for its dental plans for a total cost of \$842,111 for FY27; and authorize the City Manager or designee to execute agreements with BCBSTX and MetLife effective October 1, 2026, and that the City Manager or designee is further authorized to execute any necessary change orders in accordance with state and local law.