

 TOWN OF CAPE CHARLES	AGENDA TITLE: 2026-2027 Renewal of Employee Health Insurance Presentation		AGENDA DATE: 3/5/2026
	SUBJECT/PROPOSAL/REQUEST: Council to review and approve the Anthem renewal and proposed changes to the health insurance plan for 2026-2027		ITEM NUMBER: XX
	ATTACHMENTS: Exhibit A – Comprehensive Health Insurance Review and Proposal. Exhibit B-Three Plan Comparison on Anthem Level Funded Plans Exhibit C-Apios Health slides		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): Jodi Outland, Director of HR	REVIEWED BY: Rick Keuroglan, Town Manager	

BACKGROUND:

The Town is currently in Open Enrollment for our employee Health Insurance program which will renew on April 1, 2026. Each year at this time, staff presents our renewal options and proposed carrier quotes to seek Council concurrence for program design in the next plan year.

ITEM SPECIFICS:

The Town’s renewal of the current Anthem balanced funded plans came back with a 5.2% premium increase, after negotiating it down from 8%. Shopping the market (due diligence), resulted in significantly higher increases, ranging from 31% to 56%. It is the Town’s recommendation to renew the current Anthem plans as that is most cost effective for the employees and the Town. Employees have also been very satisfied with Anthem and their overall benefits this past year.

The current plans are three level funded open access medical plans: 1. An almost fully co-pay plan with a 2,000 deductible, 2. a co-pay/20% co-insurance plan with a 3,000 deductible and 3. a co-pay/20% co-insurance plan with a 4,000 deductible. These would not change for 2026-2027.

The Town recommends keeping the Anthem bundle of medical, dental and vision which affords us a 2% discount on cost. There was no increase for dental or vision benefits.

The Town proposes to continue to offer an employer-funded Health Reimbursement Account (HRA) which helps employees pay towards out of -pocket costs and is tied directly to their deductible. Vision coverage, still with Anthem, will continue to be a voluntary benefit. The Town would continue to offer an employee-funded Flexible Savings Account, as well as other voluntary benefits such as hospitalization, accident, etc.

The Town does propose replacing the employer-paid standalone Telehealth plan with a more robust, full-service virtual urgent-care plan.

Plan components include:

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| Medical Insurance | Vision Coverage (employee paid) |
| Dental Insurance | Flexible Savings Account (employee paid) |
| Employer contribution to health premiums | Employer funded HRA |
| Employee Assistance Program -included with Anthem | Employer covered Telehealth |

In addition to the above Health Insurance, the Town wants to not only continue to offer its Wellness and Health Incentive Programs, but to grow it. The Town is looking to partner with the SIC Clinic, for employee/Council discounts and Health Fairs. The Town appreciates this very important investment in employee health which research shows ultimately leads to fewer claims and a more productive workforce.

The Town is only as good as the people who work for it and being able to recruit and retain employees is a significant challenge in this market. Benefits are one of the most important factors when employees are deciding to work for an organization.

RECOMMENDATION:

Staff recommend that Council approve the 2026-2027 (FY27) benefit package, as outlined in the attached presentation, which is set to renew on April 1, 2026.