AGENDA SPACE REQUEST

DATE: October 8, 2026

BY: _____
Human Resources Director

INTRODUCTION: _____

ITEM: X

APPROVED BY MAYOR-PRESIDENT'S OFFICE: _____

APPROVED BY COUNCIL BUDGET OFFICE: _____
(Grant Matters)

ITEM TO APPEAR ON THE AGENDA

Establishing health insurance rates and plan design for employees and retirees, effective January 1, 2027.

Any request for an item to be placed on the agenda must be received in writing by the Council Administrator-Treasurer prior to 12:00 noon on Thursday preceding the next regular meeting of the Council. If prior approval is needed for the item, then the proper procedure must be followed before it is placed on the agenda.

Please be sure that all information for the preparation of the Resolution or Ordinance in connection with this matter is attached.

Department of Human Resources
City of Baton Rouge
Parish of East Baton Rouge

1755 Florida Street
P. O. Box 1471
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225-389-3129

LaToya Pierson, MPA, PHR, SHRM-CP
Human Resources Director

MEMORANDUM

DATE: October 8, 2026

TO: Honorable Metropolitan Council Members

FROM: LaToya Pierson, Human Resources Director

SUBJECT: **2027 City-Parish Benefits**

October 14, 2026 Council Agenda, Emergency Item

BACKGROUND

Each year, the City-Parish conducts a comprehensive evaluation of its self-insured health insurance plan. This evaluation is essential to establish rates and plan design well in advance of the January 1 Plan Year to remain in compliance with the Patient Protection and Affordable Care Act's sixty-day requirement of plan change notifications. This ensures our employees and retirees have the information needed to make informed decisions concerning their benefits for the upcoming year and facilitates the production of materials for our annual open enrollment process.

The Metropolitan Council approved the Blue Cross Blue Shield of Louisiana (BCBSLA) Medical Contract on August 11, 2021 (effective January 1, 2022), for a five-year term with two optional one-year extensions, including Administrative Guarantee Fees and Discounts. For the 2027 plan year, the City-Parish will exercise the first of its one-year extension options.

Federal Health Insurance Reform

The provisions of the Patient Protection and Affordable Care Act ("the Act") were phased in and fully implemented on January 1, 2015. The Act's provisions continue to mandate specific benefits, coverage standards, and associated fees that affect annual plan costs. The City-Parish remains in full compliance with all applicable provisions, and it has incorporated all anticipated costs into the proposed premium structure.

RECOMMENDATIONS

Medical Insurance

Projected medical expenses for the 2027 Plan Year will be funded through a combination of premium and deductible adjustments, new medical plan options, and the cost-containment measures described below.

1. New Medical Plan Options:

   The following new plan options will take effect on January 1, 2027. Refer to Attachment C for a complete list of participating providers.

   - Community Blue HMO - a select network plan providing member access to the Baton Rouge General, The Baton Rouge Clinic, and other participating providers.
   - Precision Blue HMO - a select network plan providing member access to the Franciscan Missionaries of Our Lady Health System (FMOLHS) and other participating providers.

2. Premiums

   Premium increases are proposed for the current plans. Refer to Attachment A for the complete 2027 monthly medical premium schedules for employees and retirees.

3. Deductible Increase

   Annual deductibles for the HMO, POS, and HDHP plans are proposed to increase as follows:

   - Single coverage: increase of $400
   - Family coverage: increase of $1,200

4. Spousal Incentive Health Reimbursement Arrangement (SIHRA or Spousal Incentive HRA)

   To promote plan sustainability and manage escalating healthcare costs, the City-Parish proposes implementation of a Spousal Incentive HRA effective January 1, 2027. Under this program, if a spouse selects coverage through their employer-sponsored plan, the City-Parish will reimburse the spouse for eligible out-of-pocket medical expenses—up to the applicable 2027 Affordable Care Act annual limits ($12,000 for individual coverage; $24,000 for family coverage). The same reimbursement framework applies when both the employee and spouse enroll in the spouse's employer-sponsored plan. Catilize Health will administer this program. Program costs include an administrative fee of $25 per employee per month enrolled in SIHRA, a (one-time) $3,000 implementation fee, and a $600 annual banking fee.

   Additional Spousal Incentive HRA provisions include:

   - Employees enrolled in SIHRA will receive up to a $500 monthly reimbursement for the difference in premium costs if the alternate coverage premium is higher than the City-Parish premium.

- A spouse who has access to outside employer-sponsored coverage may still enroll in a City-Parish medical plan, at no additional fee for the 2027 Plan Year.
    - $75 biweekly ($150 monthly) spousal surcharge may apply for the 2028 Plan Year.
    - $150 biweekly ($300 monthly) spousal surcharge may apply for the 2029 Plan Year.
- A spouse who lacks access to, or is ineligible for, outside employer-sponsored coverage may enroll in a City-Parish plan, at no additional fee.
- Spouses must be enrolled in a Qualifying Alternative Medical Plan to participate in the Spousal Incentive HRA program.
- Spouses not currently enrolled in a City-Parish health insurance plan are ineligible to participate in the Spousal Incentive HRA program.

5. Benefits All In (BAI)

   Benefits All In provides personalized employee education on medical coverage options available outside the City-Parish Health Plan. Program costs for the first 12 months are offset by two voluntary benefit products—Hospital Indemnity and Guaranteed Life with Long-Term Care—offered through Chubb Insurance. Following the initial period, a fee of $5 per employee per month will apply.

6. Regenexx

   Regenexx specializes in minimally invasive Interventional Orthopedics, a non-surgical approach to treating orthopedic injuries and degeneration by using your body's own healing cells to repair and regenerate damaged or degenerated tissue, bone, cartilage, muscle, tendons, and ligaments. The procedures are less risky, have less downtime, and eliminate long rehabilitation periods. The City-Parish pays no implementation, administrative, or participation fees.

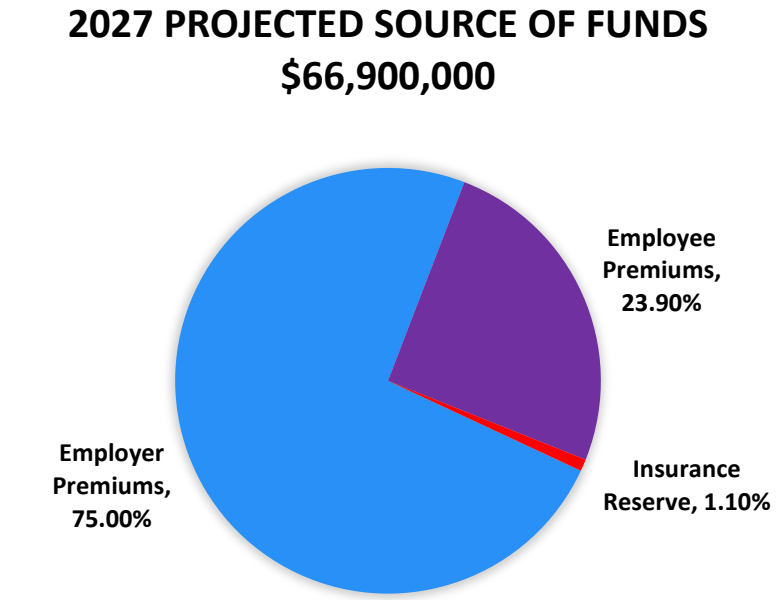
Health Plan Funding

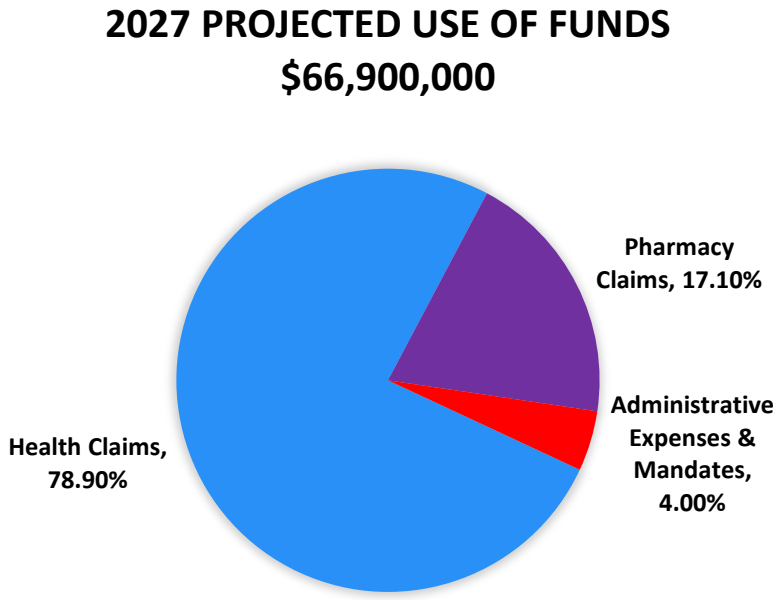
Healthcare costs continue to rise faster than general inflation. Medical inflation has been running significantly higher than the overall Consumer Price Index, driven by a combination of factors that affect every employer across the country. There are several factors that contribute to the increases in healthcare costs:

- Hospital systems, physician groups, and specialty providers have increased their contracted rates to cover their own operating costs, including staffing and supplies.
- Pharmacy spending continues to be one of the fastest-growing components of healthcare costs. The introduction of high-cost specialty medications, gene therapy, dispensing fees in the State of Louisiana for independent pharmacies, and GLP1 drugs for diabetes are all contributing to the plan costs.
- Employees and their families are using more healthcare services, including preventive care, behavioral health, and deferred procedures. While this reflects positive engagement with benefits, it also contributes to overall plan costs.

Total projected program expenses for 2027 are expected to be approximately $66,900,000. This figure reflects the previously described cost containment programs effective 1/1/2027, offset by an increase in costs associated with market trends and medical inflation, as projected by the healthcare consultants.

The below graphs show the 2027 projected source and uses for the health plan.





BLUE ADVANTAGE

Employer Group Waiver Plans (EGWPs) are customized Medicare Advantage plans developed exclusively for employer and union groups. These plans have a Preferred Provider Organization (PPO) Network with out-of-network benefits, dental and vision benefits, and pharmacy coverage. Eligible retirees and their spouses must be enrolled in Medicare Part A and B and continue to pay the Part B premium directly to the Medicare program.

The City-Parish's Blue Advantage Plan (a.k.a. Medicare Advantage) is a fully insured EGWP offered to eligible retirees and their spouses. City-Parish financial risk is limited to the amount of employer retiree premiums paid. For 2027, the Blue Advantage premium will increase to $369 per member per month. Because this amount remains below current employer premiums, the City-Parish will continue to pay the full premium.

Blue Advantage Split Rates

A rate structure was created in 2023 to allow a retiree with a spouse, child(ren), or family to enroll in the Blue Advantage Plan. This allows a retiree with Medicare to have Blue Advantage and their spouse, child(ren), or family to have the City-Parish self-insured coverage. This arrangement reduces premiums for both the retiree and the City-Parish, lowers total claims costs, and reduces Other Post-Employment Benefits (OPEB) liabilities. Refer to Attachment B for the 2027 split-rate premium schedule.

ANCILLARY BENEFIT PLANS

Group Dental Plan

The AlwaysCare/Unum Contract (formerly Starmount/AlwaysCare) was awarded for a two-year period from January 1, 2026 through December 31, 2027, with a rate guarantee through the contract term.

Vision Plan

The MetLife Vision Contract was awarded for a four-year period from January 1, 2026 through December 31, 2029, with a rate guarantee through the contract term.

Other Voluntary Benefits

Employees will continue to have the option to purchase insurance from the following carriers in 2027:

- Accident – MetLife
- Critical Illness – MetLife
- Long-Term Disability – Unum
- Optional Term Life – MetLife
- Short Term Disability – Allstate
- Universal Life – Allstate

SPECIFIC STOP LOSS INSURANCE

The passage of Health Care Reform removed lifetime and annual limits from employer health plans. As a result, the City-Parish's claims projections are at risk of exceeding one million dollars over the next few years. The City-Parish has carried Stop Loss Insurance from BCBSLA since the beginning of 2020 to lessen our risk as several new high cost pharmacy drugs and treatments were scheduled to hit the market in 2020 and 2021, and the impact of COVID-19 was considered. For 2027, the City-Parish is recommended to maintain Specific Stop Loss Insurance.

The current individual specific deductible is $1,500,000 per plan participant. The specific premium 2027 rate is $5.36 per contract per month.

The recommendations set forth in this memorandum represent, in our professional judgment, the plan design and funding approach best suited to serve the needs of City-Parish employees and retirees while maintaining fiscal responsibility.

Attachments

C: Emile “Sid” Edwards, Mayor-President
Christel Slaughter, Mayor-President’s Office
Mason Batts, Assistant Chief Administrative Officer to the Mayor-President
Ashley Beck, Council Administrator/Treasurer
Angie Savoy, Finance Director

Note: All rates and figures contained herein are subject to final verification. In the event of a typographical or calculation error, the Department of Human Resources reserves the right to correct the error. Any error deemed substantive will obtain the necessary approvals for amendment.

APPENDIX A: DEFINITIONS

Ancillary Benefits
Benefits available to all full-time employees and paid for 100% by the employees; also known as voluntary or worksite benefits.

Coordination of Benefits (COB)
Coordination of Benefits is the process in health insurance that determines the order in which multiple insurance plans will pay for a patient's medical expenses. It ensures that the total payments from all plans do not exceed the total allowable expenses for the services received.

Health Maintenance Organization (HMO)
A Group Medical Managed Care program providing all medical care needs at low out-of-pocket expense to the covered employee/dependent through a specific network of hospitals, physicians, labs, etc.

High Deductible Health Plan (HDHP)
A health plan that provides group medical insurance coverage with the highest level of deductibles, such as $2,500 for single employee or $5,000 for family coverage, so that only large medical expenses fall outside of the deductible; also known as Consumer Driven Health Plan.

Blue Advantage Plan
The City-Parish's Blue Advantage Plan (a.k.a. Medicare Advantage) is a fully insured Employer Group Waiver Plan offered to retirees and their spouses. This plan was developed exclusively for the City of Baton Rouge by Blue Cross Blue Shield of Louisiana. The Plan has a Preferred Provider Organization (PPO) Network with out-of-network medical, dental, and vision benefits including pharmacy coverage.

Point of Service (POS) Plan
A form of HMO, which allows broader access to hospitals, physicians, labs, etc., not included on the HMO panel. POS plans, as opposed to HMOs, typically require higher out-of-pocket expense from the employee/dependent when utilizing services outside of the network.

Qualifying Alternate Medical Coverage
The specific types of health insurance an employee's spouse must be enrolled in for Spousal Incentive Health Reimbursement Arrangement program eligibility. Eligibility is generally limited to an employer group medical plan. Individual insurance plans and government insurance programs (Medicare, Medicaid, VA, and TRICARE) are not eligible.

Spousal Surcharge
An extra fee added to an employee's health insurance premium when they add a spouse who has access to qualifying alternate medical coverage through their own employer.

ATTACHMENT A

2027 City-Parish Monthly Medical Premiums for Employees and Retirees

COVERAGE	Community Blue HMO	Precision Blue HMO	HMO	POS	HDHP
EMPLOYEE ONLY:					
YOU PAY	$121.48	$153.86	$194.36	$247.56	$92.64
CITY-PARISH PAYS	$732.50	$769.88	$741.94	$738.74	$741.36
MONTHLY RATE	$853.98	$923.74	$936.30	$986.30	$834.00
EMPLOYEE + SPOUSE:					
YOU PAY	$361.96	$458.48	$579.12	$737.14	$379.76
CITY-PARISH PAYS	$1,376.16	$1,421.66	$1,326.54	$1,317.04	$1,311.08
MONTHLY RATE	$1,738.12	$1,880.14	$1,905.66	$2,054.18	$1,690.84
EMPLOYEE + CHILD(REN):					
YOU PAY	$318.28	$403.14	$509.24	$648.26	$327.66
CITY-PARISH PAYS	$1,259.30	$1,303.30	$1,220.40	$1,212.04	$1,207.64
MONTHLY RATE	$1,577.58	$1,706.44	$1,729.64	$1,860.30	$1,535.30
EMPLOYEE + FAMILY:					
YOU PAY	$493.18	$624.68	$789.08	$1,004.52	$536.46
CITY-PARISH PAYS	$1,727.30	$1,777.20	$1,645.44	$1,632.48	$1,621.86
MONTHLY RATE	$2,220.48	$2,401.88	$2,434.52	$2,637.00	$2,158.32

ATTACHMENT B

2027 City-Parish Monthly Blue Advantage + Blue Cross Split Premiums

COVERAGE	Community Blue HMO	Precision Blue HMO	HMO	POS	HDHP	BLUE ADVANTAGE
EMPLOYEE ONLY with Blue Advantage:						
YOU PAY						$0.00
CITY-PARISH PAYS						$369.00
MONTHLY RATE						$369.00
EMPLOYEE + SPOUSE 1 with Blue Advantage:						
YOU PAY	$240.49	$304.62	$384.78	$489.58	$169.21	
CITY-PARISH PAYS	$1,078.33	$1,091.81	$1,025.60	$976.42	$1,127.40	
MONTHLY RATE	$1,318.82	$1,396.43	$1,410.38	$1,466.00	$1,296.61	
EMPLOYEE + SPOUSE 2 with Blue Advantage:						
YOU PAY						$0.00
CITY-PARISH PAYS						$738.00
MONTHLY RATE						$738.00
EMPLOYEE + CHILD(REN) 1 with Blue Advantage:						
YOU PAY	$196.80	$249.28	$314.88	$400.69	$117.09	
CITY-PARISH PAYS	$965.12	$977.43	$923.48	$884.10	$1,026.29	
MONTHLY RATE	$1,161.92	$1,226.71	$1,238.36	$1,284.79	$1,143.38	
EMPLOYEE + FAMILY 1 with Blue Advantage:						
YOU PAY	$393.56	$498.50	$629.69	$801.26	$257.67	
CITY-PARISH PAYS	$1,474.49	$1,492.02	$1,382.86	$1,299.07	$1,575.31	
MONTHLY RATE	$1,868.05	$1,990.52	$2,012.55	$2,100.33	$1,832.98	
EMPLOYEE + FAMILY 2 with Blue Advantage:						
YOU PAY	$149.73	$189.66	$239.57	$316.81	$57.90	
CITY-PARISH PAYS	$1,404.96	$1,431.76	$1,393.85	$1,364.43	$1,477.69	
MONTHLY RATE	$1,554.69	$1,621.42	$1,633.42	$1,681.24	$1,535.59	

ATTACHMENT C

I. Community Blue HMO — Major Facilities

This plan provides member access to Baton Rouge General, The Baton Rouge Clinic, and the participating providers listed below.

1. Abbeville General Hospital	13. Ochsner Kenner
2. Baton Rouge Clinic	14. Ochsner Medical Center
3. Baton Rouge General	15. Ochsner Medical Center – Iberville
4. Baton Rouge General – Ascension	16. Ochsner Medical Center – Northshore
5. Baton Rouge General – Bluebonnet	17. Ochsner Medical Center – West Bank Campus
6. Baton Rouge General – Center for Health	18. Ochsner Medical Complex – River Parishes
7. Baton Rouge General – Mid City	19. Ochsner Medical Complex – The Grove
8. Lane Regional Medical Center	20. Ochsner St. Anne
9. Iberia Medical Center	21. Ochsner St. Mary
10. Leonard J. Chabert Medical Center	22. St. Bernard Parish Hospital
11. Ochsner Baptist	23. St. Charles Parish Hospital
12. Ochsner Baton Rouge	24. West Feliciana Parish Hospital

Community Blue Value-Added Features:

- Integrated Cancer Program based on MD Anderson's standards and treatment protocols
- Urgent Care services billed at Primary Care Physician visit rates
- Ochsner Urgent Care locations: Arlington Marketplace, Lagniappe, and Central
- Urgent Care Virtual Visits
- Dedicated Concierge Team
- Ochsner on-call nurse care line

II. Precision Blue HMO — Major Facilities

This plan provides member access to the Franciscan Missionaries of Our Lady Health System (FMOLHS) and the participating providers listed below.

1. Assumption Community Hospital	8. Our Lady of the Lake Livingston
2. Baton Rouge Clinic	9. Our Lady of the Lake Regional Medical Center
3. Lake After Hours/Urgent Care Locations	10. Pointe Coupee General Hospital
4. Louisiana Women's Healthcare	11. Surgical Specialty Center of Baton Rouge
5. Mary Bird Perkins Center	12. The Spine Hospital of Baton Rouge
6. Our Lady of the Lake Ascension	13. Woman's Hospital
7. Our Lady of the Lake Children's Hospital	

Precision Blue Value-Added Features:

- 24/7 nurse advice line for illness and injury — (225) 765-LAKE
- Primary care physician appointments and specialist referral information — (225) 765-5500
- After-hours video visits (4–8 p.m. weekdays; 8 a.m.–8 p.m. weekends) — (225) 765-8400 / (888) 765-7428
- Healthy Lives wellness services navigation line — (855) 359-0270

ATTACHMENT D

2027 Hospital Indemnity Monthly Premiums

Plan	Plan 1	Plan 2
EMPLOYEE	$15.60	$18.98
EMPLOYEE + SPOUSE	$34.32	$42.12
EMPLOYEE + CHILD(REN)	$28.60	$35.10
EMPLOYEE + FAMILY	$47.58	$58.50

ATTACHMENT E

2027 Guaranteed Life with Long Term Care Monthly Rates

Issue Age	Coverage Amounts							
	$10,000	**$25,000**	**$50,000**	**$75,000**	**$100,000**	**$125,000**	**$150,000**	**$200,000**
18	$5.42	$13.56	$27.12	$40.68	$54.24	$67.80	$81.34	$108.46
19	$5.42	$13.56	$27.12	$40.68	$54.24	$67.80	$81.34	$108.46
20	$5.42	$13.56	$27.12	$40.68	$54.24	$67.80	$81.34	$108.46
21	$5.52	$13.78	$27.56	$41.34	$55.14	$68.92	$82.70	$110.26
22	$5.64	$14.08	$28.14	$42.20	$56.28	$70.34	$84.42	$112.54
23	$5.76	$14.40	$28.80	$43.20	$57.60	$72.00	$86.40	$115.20
24	$5.88	$14.68	$29.36	$44.02	$58.70	$73.38	$88.06	$117.40
25	$6.02	$15.02	$30.06	$45.08	$60.10	$75.12	$90.14	$120.20
26	$6.20	$15.48	$30.98	$46.46	$61.94	$77.42	$92.90	$123.86
27	$6.38	$15.96	$31.90	$47.86	$63.82	$79.76	$95.72	$127.62
28	$6.60	$16.50	$33.00	$49.50	$66.00	$82.48	$98.98	$131.98
29	$6.80	$16.98	$33.96	$50.94	$67.92	$84.90	$101.88	$135.84
30	$7.02	$17.52	$35.06	$52.58	$70.10	$87.62	$105.16	$140.20
31	$7.28	$18.20	$36.40	$54.58	$72.78	$90.98	$109.16	$145.56
32	$7.58	$18.92	$37.84	$56.76	$75.68	$94.58	$113.50	$151.34
33	$7.86	$19.64	$39.28	$58.92	$78.56	$98.20	$117.84	$157.10
34	$8.18	$20.42	$40.84	$61.24	$81.66	$102.08	$122.50	$163.32
35	$8.52	$21.28	$42.54	$63.82	$85.08	$106.36	$127.62	$170.18
36	$8.94	$22.32	$44.64	$66.94	$89.26	$111.58	$133.88	$178.50
37	$9.36	$23.42	$46.82	$70.24	$93.66	$117.06	$140.48	$187.30
38	$9.82	$24.56	$49.10	$73.66	$98.20	$122.74	$147.30	$196.40
39	$10.34	$25.84	$51.66	$77.48	$103.30	$129.14	$154.96	$206.60
40	$10.84	$27.12	$54.22	$81.32	$108.44	$135.54	$162.64	$216.86
41	$11.42	$28.54	$57.06	$85.58	$114.12	$142.64	$171.16	$228.22
42	$12.00	$30.00	$60.00	$89.98	$119.98	$149.98	$179.96	$239.96
43	$12.62	$31.54	$63.06	$94.60	$126.12	$157.66	$189.18	$252.24
44	$13.28	$33.18	$66.36	$99.54	$132.72	$165.90	$199.08	$265.44
45	$13.98	$34.94	$69.90	$104.84	$139.78	$174.72	$209.66	$279.56

ATTACHMENT E
Continued

2027 Guaranteed Life with Long Term Care Monthly Rates

Issue Age	Coverage Amounts							
	$10,000	**$25,000**	**$50,000**	**$75,000**	**$100,000**	**$125,000**	**$150,000**	**$200,000**
46	$14.94	$37.32	$74.64	$111.94	$149.26	$186.58	$223.88	$298.52
47	$15.98	$39.94	$79.88	$119.82	$159.76	$199.70	$239.64	$319.52
48	$17.10	$42.74	$85.48	$128.22	$170.96	$213.70	$256.44	$341.92
49	$18.28	$45.70	$91.38	$137.06	$182.76	$228.44	$274.14	$365.50
50	$19.60	$48.98	$97.94	$146.92	$195.88	$244.86	$293.82	$391.78
51	$20.84	$52.08	$104.16	$156.24	$208.32	$260.40	$312.48	$416.64
52	$22.18	$55.44	$110.88	$166.32	$221.76	$277.20	$332.64	$443.52
53	$23.58	$58.96	$117.92	$176.88	$235.84	$294.80	$353.74	$471.66
54	$25.08	$62.70	$125.42	$188.12	$250.82	$313.52	$376.22	$501.62
55	$26.66	$66.66	$133.30	$199.96	$266.60	$333.26	$399.90	$533.20
56	$28.90	$72.26	$144.50	$216.76	$289.00	$361.26	$433.52	$578.02
57	$31.32	$78.28	$156.54	$234.80	$313.06	$391.34	$469.60	$626.12
58	$33.88	$84.72	$169.42	$254.12	$338.82	$423.54	$508.24	$677.64
59	$36.64	$91.58	$183.16	$274.74	$366.32	$457.90	$549.48	$732.64
60	$39.60	$99.00	$197.98	$296.98	$395.96	$494.96	$593.94	$791.92
61	$43.34	$108.34	$216.68	$325.02	$433.36	$541.70	$650.04	$866.72
62	$47.28	$118.18	$236.34	$354.52	$472.68	$590.86	$709.02	$945.36
63	$51.50	$128.74	$257.46	$386.20	$514.92	$643.66	$772.40	$1,029.86
64	$55.92	$139.82	$279.62	$419.42	$559.24	$699.04	$838.84	$1,118.46
65	$60.66	$151.64	$303.28	$454.92	$606.56	$758.20	$909.84	$1,213.12
66	$67.88	$169.70	$339.38	$509.06	$678.76	$848.44	$1,018.14	$1,357.50
67	$75.58	$188.94	$377.86	$566.78	$755.72	$944.64	$1,133.56	$1,511.42
68	$83.80	$209.52	$419.02	$628.54	$838.04	$1,047.54	$1,257.06	$1,676.08
69	$92.64	$231.58	$463.16	$694.72	$926.30	$1,157.86	$1,389.44	$1,852.58
70	$102.24	$255.58	$511.16	$766.74	$1,022.32	$1,277.90	$1,533.48	$2,044.62