Health Plan Program
Historical Summary and Changes for CY 2027

Presented by

Roberta Ferdinand, Senior Account Executive, USI Insurance Services

AGENDA

1) Trend Summary

2) Historical Summary

3) Benchmarking

4) Projected cost for Calendar Year 2027

PLAN TREND SUMMARY

- Buncombe County medical/Rx costs increased approximately 4–5% annually since 2020, with notable fluctuations driven by utilization and cost pressure.
- Overall trend reflects a sustained long-term increase of just over 30%. By comparison, the expected trend over the same period would be approximately 45%, indicating that Buncombe County's plan is performing more favorably than projected.
- The most recent renewal year reflected a +11.7% trend.
- 2026 Trends:
  - NC Employers (BOB): 9.38%
  - NC Municipalities (BOB): 13.14%

Period	YoY Medical Trend	Net Spend by Year
2020		$15,630
2020 → 2021	+13.4%	$17,729
2021 → 2022	+1.4%	$17,969
2022 → 2023	−1.8%	$17,651
2023 → 2024	+4.8%	$18,495
2024 → 2025	+11.7%	$20,662
Over All Periods	**30%**	

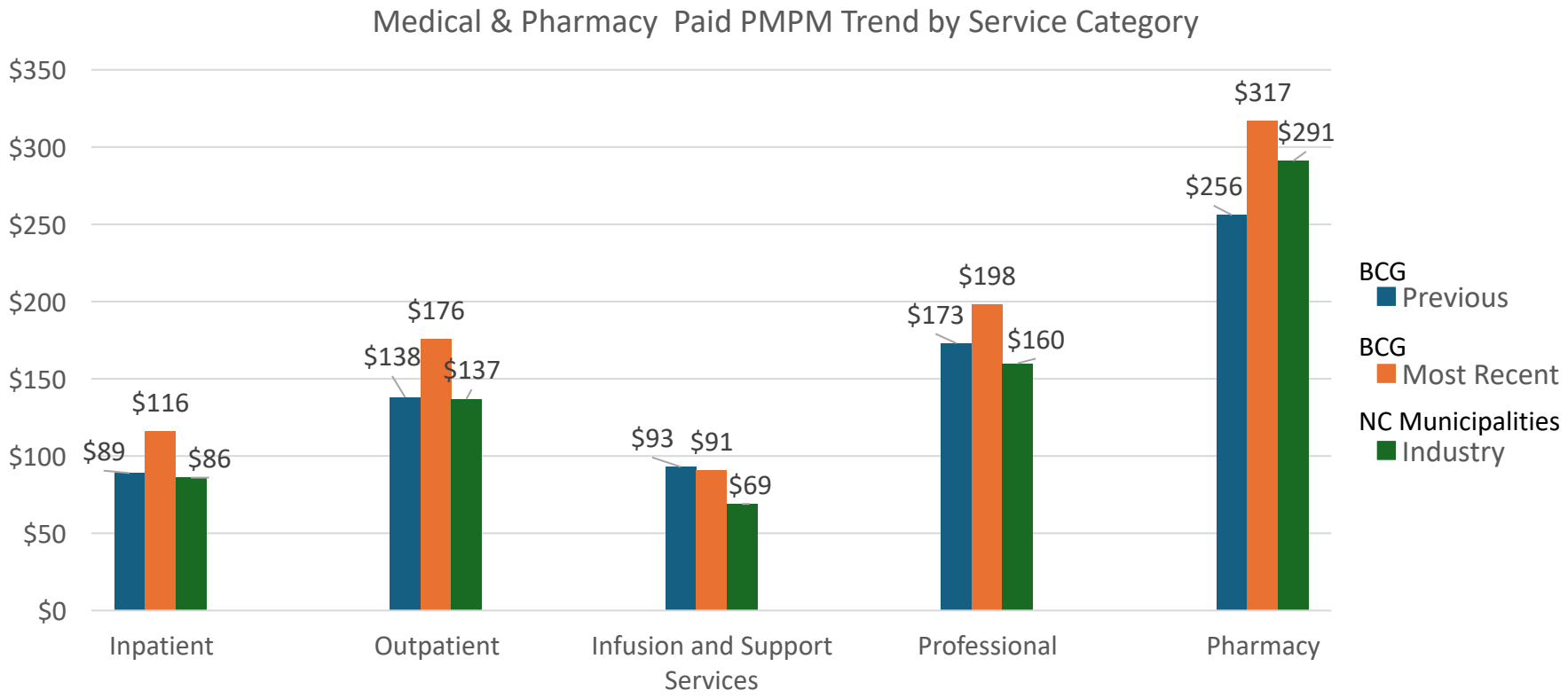
BOB: *Book of Business*

HISTORICAL PLAN PERFORMANCE

	2020 Plan Year Actual	2021 Plan Year Actual	2022 Plan Year Actual	2023 Plan Year Actual	2024 Plan Year Actual	2025 Plan Year Actual
Enrollment (Avg Monthly)	1,771	1,780	1,771	1,808	1,891	1,866
Gross Expense	$29,238,787	$32,801,027	$32,518,950	$32,596,414	$35,960,453	$41,124,221
Gross Expense PEPY*	$16,509	$18,427	$18,366	$18,033	$19,015	$22,034
Stop Loss Reimbursements	($1,557,626)	($1,241,685)	($702,482)	($691,213)	($982,961)	($2,560,219)
Net Expense	$27,681,161	$31,559,342	$31,816,469	$31,905,201	$34,977,492	$38,564,003
Net Expense PEPY*	$15,630	$17,729	$17,969	$17,651	$18,495	$20,662

**Per Employee (Active & Retired) Per Year (PEPY)*

HISTORICAL PLAN PERFORMANCE



- The 2025 plan year experienced increases across all service categories, from 2024, with the exception of infusion and support services.
- Across all categories, BCG utilization and costs exceeded industry benchmarks. The primary drivers of this variance were high-cost claimants and plan design differences, both of which contributed to elevated utilization and spend relative to the market.

Most Recent Rolling Year: Data Incurred Jan'25-Dec'25
Previous Rolling Year: Data Incurred Jan'24-Dec'24

County Health Plan Updates

Presented by

Shauna Shepherd, Human Resources Director

Considerations

- $40M+ expected claims cost in current and future years
- Buncombe County covers 92% of costs on average
  - $20k per employee in FY27
- FY27 General Fund health insurance impact: $5.3M

Employee Premium Increases

Effective as 1/1/2027

- Two Primary Objectives:
  - Rebalance employee premium contributions to more equitably share rising healthcare costs
  - Adjust rate tiers to better reflect the number of individuals covered
- Sharing the increase in Claims Costs
  - Employer Premium: $5.3M
  - Employee Premium: $522K

Plan	Range of Increase (Individual Only to Family)
HDHP	No Increase
Core	$1.64 - $20.58 per paycheck
Buy-Up	$2.87 - $30.08 per paycheck
Standard	$2.12 - $22.87 per paycheck

Note: Standard plan was grandfathered as of January 1, 2010.
These costs reflect HRA Compliant Rates.

QUESTIONS?