

REPORT
FROMTHE PERSONNEL
DEPARTMENT

TO: City Council	DATE July 16, 2025
REFERENCE: Los Angeles Administrative Code Division 4, Chapter 7, Article 5, Sec. 4.303	COUNCIL FILE
SUBJECT: Plan Year 2026 LAwell Civilian Benefits Program (LAwell Program)	
<p><u>RECOMMENDATION:</u> That the City Council approve the 2026 LAwell Program including the employee benefit plans, benefit plan premiums and rates, and program design features embodied therein.</p> <p><u>SUMMARY:</u> The Personnel Department administers the City's LAwell Program for active City civilian employees and their qualified dependents in conjunction with the City's Joint Labor Management Benefits Committee (JLMBC). The JLMBC is composed of five management and five labor representatives. The JLMBC was created in 1990 by action of the City Council and Mayor for the purpose of determining what plans were to be included in the benefits program, defining the structure of benefit plans, and recommending service providers to the General Manager Personnel Department. Currently, the LAwell Program covers approximately 27,000 employees and 32,000 dependents.</p> <p>Division 4, Chapter 7, Article 5, Sec. 4.303 of the Los Angeles Administrative Code provides that the City Council authorize suitable employee benefit programs as recommended by the JLMBC and maintained by the Personnel Department. At its special meeting on July 16, 2025, the JLMBC recommended adoption of the LAwell Program for Plan Year 2026. The purpose of this transmittal is to request that the City Council approve the JLMBC's recommendation.</p> <p>The LAwell Program Plan Year is a twelve-month period concurrent with each calendar year. Each year the JLMBC reviews information provided by the Personnel Department, benefits consultants, and service providers for the purpose of recommending to City Council adoption of the premiums and rates for the subsequent year. The JLMBC may also recommend certain modifications to LAwell Program design services and features.</p> <ul style="list-style-type: none"> • LAwell PROGRAM BENEFIT PLANS AND SERVICE PROVIDERS <p>The LAwell Program contains a diverse array of benefit plans with multiple vendors providing benefit plans, wellness services, administrative services, consulting services, and federally required compliance services. The City's diverse range of services creates opportunities for employees to customize their benefit needs in support of the health and well-being of themselves and their dependents. The proposed benefit plans, services, and service providers for Plan Year 2026 include the following:</p>	



THIRD-PARTY ADMINISTRATOR
TELUS Health (formerly LifeWorks, previously Morneau Shepell) – Benefit administration, recordkeeping, and data exchange

• **SERVICE PROVIDER ANNUAL RENEWALS AND PROCUREMENTS**

On July 16, 2025, the JLMBC reviewed annual service provider renewals for the purpose of developing recommendations to the General Manager Personnel Department and City Council for adoption of the 2026 LAwell Program. The most significant changes for 2026 when compared to 2025 are rate and service provider changes with medical plans. Kaiser was selected with a 5.71% increase in premiums. Blue Shield was selected to provide one HMO plan, one PPO plan, and one new High Deductible Health Plan PPO. The premium rates of these plans vary in cost change compared to the currently provided Anthem plans. United Healthcare (UHC) was also selected as the provider of two HMO plans. The premium rates of these plans also vary in cost change

compared to the currently provided Anthem plans. Additionally, the disability insurance benefit provided by Standard Insurance Company will see a 12.5% decrease for premiums starting in 2026 and the Support Plus - Employee and Family Assistance Program will see a 2.56% increase in premiums starting in 2026. Outside of the above listed changes, all other benefit provider premiums and rates remain unchanged for 2026.

Following are highlights for each provider renewal.

Medical Plans

Service Provider: Kaiser

- Kaiser is the provider of the LAwell Program's Kaiser Health Maintenance Organization (HMO) plan. Kaiser's services are fully integrated, meaning all of its services are provided by Kaiser's employees and using its own facilities.
- Kaiser is renewing at a 5.71% premium increase.
- Kaiser continues to support the City's Wellness Program with its prorated share (by enrollment) of approximately \$1 million in annual discretionary wellness funds.
- Kaiser has also agreed to provide prorated share funding for the City's cost to employ a Health Educator (City Class Code 2327).

Service Provider: Blue Shield

- Blue Shield was selected as a new medical plan provider for 2026.
- Blue Shield will be the provider of three (3) medical plans: a Trio HMO plan, a Preferred Provider Option (PPO) plan, and a High Deductible Health Plan (HDHP) PPO. The HDHP PPO is a brand new addition to the LAwell Plan menu for 2026. Blue Shield uses contracted physicians and provider groups for its in-network services and provides reimbursements to physicians and provider groups outside of its PPO or HDHP PPO network.
- Blue Shield is providing the Trio HMO plan at a 16.94% premium increase compared to the Anthem Vivity plan, the Blue Shield PPO at a 2.02% decrease compared to the Anthem PPO, and the Blue Shield HDHP PPO at a 27% decrease compared to the Anthem PPO.
- Blue Shield agreed to support the City's Wellness Program with its prorated share (by enrollment) of approximately \$1 million in annual discretionary wellness funds.
- Blue Shield has also agreed to provide prorated share funding for the City's cost to employ a Health Educator (City Class Code 2327).

Service Provider: United Healthcare (UHC)

- UHC was selected as a new medical plan provider for 2026.
- UHC will be the provider of two (2) medical plans: a Harmony HMO plan and a Signature Value HMO plan. UHC uses contracted physicians and provider groups for its in-network services and provides reimbursements to physicians and provider groups outside of its PPO or HDHP PPO network.
- UHC is providing the Harmony HMO plan at a 4.5% premium increase compared to the Anthem Select plan and the Signature Value HMO at a 7.23% decrease compared to the Anthem CA Care plan.
- UHC agreed to support the City's Wellness Program with its prorated share (by enrollment) of approximately \$1 million in annual discretionary wellness funds.
- UHC has also agreed to provide prorated share funding for the City's cost to employ a Health Educator (City Class Code 2327).

Dental Plans

Service Provider: Delta

- Delta is the provider of the LAwell Program's Dental PPO, HMO, and Preventive Care plans. Delta Dental uses contracted dentists and provider groups for its in-network services and provides certain reimbursements to provider groups outside of its PPO network.
- Delta will be keeping the rates its PPO, HMO, and Preventative Care plans unchanged for 2026.

Vision Plan

Service Provider: Anthem Blue View

- Anthem Blue View is the provider of the LAwell Program's vision plan. Anthem Blue View uses contracted service providers for its in-network services and provides certain reimbursements to provider groups outside of its network.
- Anthem Blue View will be keeping the rate for its vision plan unchanged for 2026.

Life Insurance

Service Provider: MetLife

- MetLife is the provider of the LAwell Program's Life Insurance (base benefit and optional supplemental) plans for employees and their dependents.
- Metlife will be keeping the rate for its life insurance plans unchanged for 2026.

Disability Insurance

Service Provider: Standard Insurance Company

- Standard Insurance Company (The Standard) is the provider of the LAwell Program's Short-Term Disability (base benefit) and Long-Term Disability (base benefit with optional supplemental benefit).
- The Standard has proposed a 12.5% premium decrease for 2026

Accidental Death and Dismemberment (AD&D) Insurance

Service Provider: MetLife

- MetLife is the provider of the LAwell Program's AD&D insurance plans.
- Metlife will be keeping the rate for its AD&D insurance plans unchanged for 2026.

Tax-Advantaged Spending Accounts

Service Providers: Ameriflex and WageWorks

- Ameriflex is the provider of the Healthcare Flexible Spending Account (HCFSA) and Dependent Care Reimbursement Account (DCRA) plan benefits.
- Ameriflex will be keeping the fee for HCFSA and DCRA accounts unchanged for 2026.

- WageWorks will continue to be the provider of the Transit Spending Account (TSA), and Parking Spending Account (PSA) Tax-Advantaged Spending Accounts plan benefits.
- Wageworks will be keeping the fee for TSA and PSA accounts unchanged for 2026.

EFAP Services

Service Provider: Optum

- Optum is the provider of the LAwell Program's Support Plus - Employee and Family Assistance Program (EFAP) services.
- Optum has provided a menu of services with itemized pricing. Inclusion of all services would provide a 2.56% premium rate increase in 2026.

Renewal actions for all service providers in 2026 are summarized as follows, please see in conjunction with Attachment A:

Provider	Benefit Plan	Proposed Cost Change
Kaiser Permanente	Kaiser HMO	Proposed 2025 5.71% (average) premium increase
Blue Shield	Trio HMO	Proposed 2026 16.94% (average) premium increase , compared to the Anthem Vivity HMO
	Blue Card PPO	Proposed 2026 -2.02% (average) premium decrease , compared to the Anthem PPO
	Blue Card HDHP PPO	Proposed 2026 -27.0% (average) premium decrease , compared to the Anthem PPO
United Healthcare	Harmony HMO	Proposed 2026 4.5% (average) premium increase , compared to the Anthem Select HMO
	Signature Value HMO	Proposed 2026 -7.23% (average) premium decrease , compared to the Anthem CA Care HMO
Delta Dental	Dental HMO	Proposed 2026 no premium change
	Dental PPO	Proposed 2026 no premium change
	Preventive	Proposed 2026 no premium change
Anthem Blue View	Vision Plan	Proposed 2026 no premium change
MetLife	Basic Life	Proposed 2026 no premium change
	Supplemental Life (Employee & Dependent)	Proposed 2026 no premium change
Standard Insurance Company	Short-Term Disability (Base/Buy-Up)	Proposed 2026 -12.5% premium decrease
	Long-Term Disability (Base/Buy-Up)	Proposed 2026 -12.5% premium decrease
MetLife	Voluntary AD&D	Proposed 2026 no premium change
Ameriflex	HealthCare Flexible Spending Account	Proposed 2026 no premium change
	Dependent Care Spending Account	Proposed 2026 no premium change
Optum	Support Plus - Employee and Family Assistance Program	Proposed 2026 2.56% premium increase

- **PLAN DESIGN CHANGES**

Outside of the premium rate and provider changes mentioned previously, the 2026 LAwell Program generally contains the same plans and benefit levels in effect for Plan Year 2025. However, the JLMBC has approved several benefit design changes, as follows:

- **High Deductible Health Plan (HDHP) with Health Savings Account (HSA)**
 - Approve the addition of a HSA to be administered by the medical plan provider without any employer contribution.
- **Healthcare Flexible Spending Accounts (HFSA)**
 - Increase the annual maximum contribution for the HFSA by \$100 from \$3,200 to \$3,300.
- **Dependent Care Reimbursement Account (DCRA)**
 - Increase the annual maximum for the DCRA by \$2,500 from \$5,000 to \$7,500, pending successful incorporation of the regulation change by the Internal Revenue Service.

- **CONCLUSION**

The JLMBC and Personnel Department have successfully partnered over many years to administer and improve the LAwell Program. Each day City employees are on the front lines supporting the public and one another to fulfill the mission of the City of Los Angeles. The LAwell Program plays a vital role in providing the tools and resources for City employees to take care of themselves and their families. The JLMBC respectfully requests that the City Council adopt the 2026 LAwell Program.

DocuSigned by:

Jenita Igwealor

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JENITA IGWWEALOR, CHAIRPERSON

Malaika Billups

MALAIKA BILLUPS, VICE-CHAIRPERSON

JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE

ATTACHMENT A: Medical Provider change for Plan Year 2026 – From JLMBC Committee Report 25-32

The following is an excerpt from [JLMBC Committee Report 25-32](#) and provide further detail regarding the recommended medical service provide changes for the LAwell Plan's 2026 Plan Year. The JLMBC adopted each action in [Committee Report 25-32](#) at its July 16, 2025 meeting.

(1) Blue Shield - HMO, PPO, & HDHP PPO Options

A Request for Proposal for the LAwell Program's Medical Plans was issued for a service provider to begin services in plan year 2026. A report of the findings and scoring result of the evaluation committee was provided to the JLMBC at its May 29, 2025 meeting. Blue Shield was selected as the winning bidder from this Request for Proposals as the provider of one (1) HMO plan (Trio HMO), one (1) PPO plan (Blue Shield PPO), and one (1) HDHP PPO (Blue Shield HDHP PPO) for plan years 2026, and 2027. The City has discretion to continue contractual services for up to three (3) additional years.

The Medical Plan Request For Proposals ("Medical Plans RFP") asked all bidders to provide multiple benefit and pricing options for HMO, PPO, and HDHP PPO plan types. Through its submission to the request for proposals, Blue Shield proposed multiple plan types with bids for multiple pricing/design options. The selection of Blue Shield included selection of the following plans and plan types:

- **Trio HMO**: The Blue Shield Trio HMO was selected with a plan design that matches the current plan design of LAwell Plan HMOs (e.g. no changes to deductible, copay, etc.). Blue Shield proposed this plan as a replacement for the Anthem Vivity HMO and, to that comparison, **the pricing of the plan premiums for this option represents a 16.94% increase from 2025 rates on average across all coverage tiers.**

The application of the City's subsidy fully covers all coverage options for full time employees, resulting in no premium cost for full time employees. Half time employees have their subsidy capped at the employee only level and pay the difference in premium. The employee only coverage level will remain offered at no cost for half time employees, but the other tiers will experience a rate increase compared to 2025. The proposed bi-weekly premiums and employee bi-weekly premium cost rates are shown in the table below. These bi-weekly rates are subject to technical revision; the final rates will be published in Open Enrollment materials and those published rates will govern.

ATTACHMENT A: Medical Provider change for Plan Year 2026 – From JLMBC Committee Report 25-32

Full Time Employees					
Coverage Tier	Anthem Vivity HMO		Blue Shield Trio HMO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	366.73	0.00	428.83	0.00	0%
Employee + SP/DP	806.83	0.00	943.48	0.00	0%
Employee + Child(ren)	696.80	0.00	814.84	0.00	0%
Employee + Family	953.52	0.00	1,115.05	0.00	0%

Half Time Employees					
Coverage Tier	Anthem Vivity HMO		Blue Shield Trio HMO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	366.73	0.00	428.83	0.00	0%
Employee + SP/DP	806.83	399.23	943.48	512.61	28.4%
Employee + Child(ren)	696.80	289.20	814.84	383.97	32.8%
Employee + Family	953.52	545.92	1,115.05	684.18	25.3%

- **Blue Shield PPO:** The Blue Shield PPO was selected with a plan design that matches the current plan design of LAwell PPO (e.g. no changes to deductible, copay, etc.). Blue Shield proposed this plan as a replacement for the Anthem PPO and, to that comparison, the **pricing of the plan premiums for this option represents a 2.02% decrease from 2025 rates on average across all coverage tiers.**

The application of the City's subsidy fully covers the employee only tier for full time employees, resulting in no cost employees in that coverage tier for full time employees only. Half time employees will not be fully covered by the City subsidy at the employee only level, but will experience a net cost decrease for enrollment into the employee only level compared to 2025 rates. For the other three coverage tiers, the net cost for both half time and full time employees will be decreased at various percentages compared to 2025. The proposed bi-weekly premiums and employee bi-weekly premium cost rates are shown in the table below. These bi-weekly rates are subject to technical revision; the final rates will be published in Open Enrollment materials and those published rates will govern.

ATTACHMENT A: Medical Provider change for Plan Year 2026 – From JLMBC Committee Report 25-32

Full Time Employees					
Coverage Tier	Anthem PPO		Blue Shield PPO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	726.30	0.00	711.65	0.00	0%
Employee + SP/DP	1,597.84	539.09	1,565.61	445.35	-17.4%
Employee + Child(ren)	1,379.94	320.19	1,352.11	231.85	-27.6%
Employee + Family	1,888.36	828.61	1,850.27	730.01	-11.9%

Half Time Employees					
Coverage Tier	Anthem PPO		Blue Shield PPO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	726.30	318.70	711.65	280.78	-11.9%
Employee + SP/DP	1,597.84	1,190.24	1,565.61	1,134.74	-4.66%
Employee + Child(ren)	1,379.94	972.34	1,352.11	921.24	-5.26%
Employee + Family	1,888.36	1,480.76	1,850.27	1,419.40	-4.14%

- **Blue Shield HDHP PPO:** The Blue Shield HDHP PPO was selected with a plan design that is slightly different from the current LAwell PPO. The deductible of the HDHP PPO is higher than the LAwell PPO by almost triple, but is still lower than the federal limit for a HDHP. The copays for this plan are also higher, by varying amounts. The HDHP PPO is a brand new offering for the LAwell Program and does not have a replacement option for direct comparison, however, the closest option for comparison is the traditional PPO plan model. To that comparison, **the pricing of this HDHP PPO option represents a 27% decrease from 2025 PPO rates on average across all coverage tiers.**

The application of the City's subsidy fully covers the employee only and employee plus child premium costs for full time employees, resulting in no cost for full time employees who enroll in those tiers. Full time employees who enroll into the employee plus SP/DP or employee plus family tiers will have a net premium cost after the City subsidy is applied. Half time employees have their subsidy capped at the employee only level and pay the difference. All coverage tiers for half time employees will result in a net premium cost. The proposed bi-weekly premiums and employee bi-weekly premium cost rates are shown in the table below. These bi-weekly rates are subject to technical revision; the final rates will be published in Open Enrollment materials and those published rates will govern.

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Full Time Employees					
Coverage Tier	Anthem PPO		Blue Shield HDHP PPO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	726.30	0.00	531.32	0.00	0%
Employee + SP/DP	1,597.84	539.09	1,165.50	45.24	-91.6%
Employee + Child(ren)	1,379.94	320.19	1,006.95	0	-100%
Employee + Family	1,888.36	828.61	1,376.90	256.64	-69.0%

Half Time Employees					
Coverage Tier	Anthem PPO		Blue Shield HDHP PPO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	726.30	318.70	531.32	100.45	-68.5%
Employee + SP/DP	1,597.84	1,190.24	1,165.50	734.63	-38.3%
Employee + Child(ren)	1,379.94	972.34	1,006.95	576.08	-40.8%
Employee + Family	1,888.36	1,480.76	1,376.90	946.03	-36.1%

Half time and full time employees who enroll in a tier with a net premium cost will pay a rate that is significantly lower than the rate of the traditional PPO in 2025 or the proposed rate for 2026. However, the HDHP PPO, by design, will require a higher cost at the time services are rendered until the plan deductible is met. Therefore despite the very low premium for the HDHP PPO, it is strongly recommended that any enrolled employee regularly add money to their Health Savings Account (HSA) which will help the employee to pay for those costs with pre-tax dollars. For In-Network services, with the deductible set at \$2,200/Individual and \$4,400/Family, it is strongly recommended that enrolled employees contribute a minimum of \$180-\$360 per month to their HSA to help pay for the higher incurred costs at the time services are rendered.

As a result, **staff recommends that the JLMBC recommend to the Personnel Department General Manager 2026 selection of the Blue Shield Trio HMO (16.94% increase), Blue Shield PPO (2.02% decrease), and Blue Shield HDHP PPO (27% decrease) plans with Blue Shield.**

(2) Kaiser Permanente Staff Model Medical HMO

A Medical Plans RFP was issued for a service provider to begin services in plan year 2026. A report of the findings and scoring result of the evaluation committee was provided to the JLMBC at its May 29, 2025 meeting. Kaiser was selected as the winning bidder from this Medical Plans RFP as the provider

ATTACHMENT A: Medical Provider change for Plan Year 2026 – From JLMBC Committee Report 25-32

of one (1) HMO plan (Kaiser HMO) for plan years 2026 and 2027. The City has discretion to continue contractual services for up to three (3) additional years.

The Medical Plans RFP asked all bidders to provide multiple benefit and pricing options for HMO, PPO, and HDHP PPO plan types. Through its submission to the request for proposals, Kaiser proposed multiple plan types with bids for multiple pricing/design options. The selection of Kaiser HMO included selection of the following plans and plan type:

- **Kaiser HMO:** The Kaiser HMO was selected with a plan design that matches the current plan design of LAwell Plan HMOs (e.g. no changes to deductible, copay, etc.). Kaiser, as a current incumbent, proposed continuation of this current plan design with **premium pricing that reflects a 5.71% increase from 2025 rates on average across all coverage tiers.**

As the application of the City's subsidy remains tied to the Kaiser family rate, the City subsidy will fully cover all coverage options for full time employees, resulting in no cost for any tier for full time employees. Half time employees have their subsidy capped at the employee only level and pay the difference. The Employee only coverage level will remain offered at no cost, but the other tiers will experience a rate increase compared to 2025. The proposed bi-weekly premiums and employee bi-weekly premium cost rates are shown in the table below. These bi-weekly rates are subject to technical revision; the final rates will be published in Open Enrollment materials and those published rates will govern.

Full Time Employees					
Coverage Tier	Kaiser HMO		Kaiser HMO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	407.60	0.00	430.87	0.00	0%
Employee + SP/DP	896.71	0.00	947.62	0.00	0%
Employee + Child(ren)	815.19	0.00	861.74	0.00	0%
Employee + Family	1,059.75	0.00	1,120.26	0.00	0%

Half Time Employees					
Coverage Tier	Kaiser HMO		Kaiser HMO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	407.60	0.00	430.87	0.00	0%
Employee + SP/DP	896.71	489.11	947.62	517.05	5.4%
Employee + Child(ren)	815.19	407.59	861.74	430.87	5.4%
Employee + Family	1,059.75	652.15	1,120.26	689.39	5.4%

ATTACHMENT A: Medical Provider change for Plan Year 2026 – From JLMBC Committee Report 25-32

As a result, **staff recommends that the JLMBC recommend to the General Manager Personnel Department 2025 selection of the Kaiser HMO plan (5.71% increase) with Kaiser Permanente.**

(3) United Healthcare (UHC) Medical Plans - HMO Options

A Medical Plans RFP was issued for a service provider to begin services in plan year 2026. A report of the findings and scoring result of the evaluation committee was provided to the JLMBC at its May 29, 2025 meeting. UHC was selected as the winning bidder from this Medical Plans RFP as the provider of two (2) HMO plans (Harmony HMO and Signature Value HMO) for plan years 2026, and 2027. The City has discretion to continue contractual services for up to three (3) additional years.

The Medical Plans RFP asked all bidders to provide multiple benefit and pricing options for HMO, PPO, and HDHP PPO plan types. Through its submission to the request for proposals, UHC proposed multiple plan types with bids for multiple pricing/design options. The selection of UHC included selection of the following plans and plan types:

- **UHC Harmony HMO**: The UHC Harmony HMO was selected with a plan design that matches the current plan design of LAwell Plan HMOs (e.g. no changes to deductible, copay, etc.). UHC proposed this plan as a replacement for the Anthem Select HMO and, to that comparison, **the pricing of this option represents a 4.5% increase from 2025 rates on average across all coverage tiers.**

The application of the City's subsidy fully covers the employee only, employee plus SP/DP and Employee plus Family coverage tiers full time employees, resulting in no cost for full time employees who enroll into those coverage tiers. Full time employees who enroll into the Family coverage tier will have a net premium cost in 2026 which is currently lower than the net premium cost for 2025. Half time employees have their subsidy capped at the employee only level and pay the difference. The proposed bi-weekly premiums and employee bi-weekly premium cost rates are shown in the table below. These bi-weekly rates are subject to technical revision; the final rates will be published in Open Enrollment materials and those published rates will govern.

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Full Time Employees					
Coverage Tier	Anthem Select HMO		Harmony HMO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	436.86	0.00	456.50	0.00	0%
Employee + SP/DP	961.14	0.00	1,004.34	0.00	0%
Employee + Child(ren)	830.09	0.00	867.41	0.00	0%
Employee + Family	1,059.75	76.17	1,186.99	66.73	-10.7%

Half Time Employees					
Coverage Tier	Anthem Select HMO		Harmony HMO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	436.86	29.26	456.50	25.63	-14.2%
Employee + SP/DP	961.14	553.54	1,004.34	573.47	3.5%
Employee + Child(ren)	830.09	422.49	867.41	436.54	3.2%
Employee + Family	1,059.75	728.32	1,186.99	756.12	3.7%

UHC Signature Value HMO: The UHC Signature Value HMO was selected with a plan design that matches the current plan design of LAwell Plan HMOs (e.g. no changes to deductible, copay, etc.). UHC proposed this plan as a replacement for both the Anthem CA Care HMO and the Anthem Vivity HMO. In comparison to the Anthem CA Care HMO, **the pricing of this option represents a 7.23% decrease from 2025 rates on average across all coverage tiers.**

Should the JLMBC find that the Signature Value HMO should receive full application of the City's subsidy in the proposed three (3) carrier model for 2026, then the City's subsidy will fully cover the employee only, employee plus SP/DP, and employee plus family coverage tiers for full time employees, resulting in no cost for full time employees who enroll into those coverage tiers. Full time employees who enroll into the family coverage tier will have a net premium cost in 2026. Overall, in comparison to the rates of the current Anthem CA Care plan, the net cost to employees will be significantly lower in 2026. Half time employees have their subsidy capped at the employee only level and pay the difference. The Employee only coverage for this plan exceeds the amount of City subsidy and the employee only level of coverage will remain a cost to half time employees, as it is currently a cost in 2025. Although the employee only cost for half time employees is set to increase for 2026. All other tiers will experience a rate decrease compared to 2025. The proposed premiums and employee cost rates of change are shown in the table below. These rates are subject to technical revision; the final rates will be published in Open Enrollment materials and those published rates will govern.

ATTACHMENT A: Medical Provider change for Plan Year 2026 – From JLMBC Committee Report 25-32

Full Time Employees					
Coverage Tier	Anthem CA Care HMO		Signature Value HMO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	616.89	180.03	790.06	0.00	-100%
Employee + SP/DP	1,357.16	396.02	1,106.08	0.00	-100%
Employee + Child(ren)	1,172.10	342.01	1,027.08	0.00	-100%
Employee + Family	1,603.94	544.19	1,185.09	64.83	-88.1%

Half Time Employees					
Coverage Tier	Anthem CA Care HMO		Signature Value HMO		% Diff for EE Cost
	2025 Premium	Employee Cost 2025	2026 Premium	Employee Cost 2026	
Employee Only	616.89	209.29	790.06	359.19	71.6%
Employee + SP/DP	1,357.16	949.56	1,106.08	675.21	-28.9%
Employee + Child(ren)	1,172.10	764.50	1,027.08	596.21	-22.0%
Employee + Family	1,603.94	1,196.34	1,185.09	754.22	-36.9%

As a result, **staff recommends that the JLMBC recommend to the Personnel Department General Manager 2026 selection of the UHC Harmony HMO (4.5% increase) and UHC Signature Value HMO (7.23% decrease) plans with UHC.**