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To: Goodhue County Commissioners
From: Goodhue County Insurance Committee
Date: August 20, 2025
Re: 2026 Insurance Proposals and Plan Adjustments

The Goodhue County Insurance Review Committee meets regularly to review insurance plans. Their work includes analysis of existing plan options, review of cost containment strategies, and evaluation of plan proposals in bid years.

This year, the County sought bids for the following plans: health, dental, and vision insurance as well as life insurance, short-term disability, long-term disability, and equivalent private paid leave plans. Below is a high-level overview of plan proposals recommended by the Insurance Review Committee for adoption in 2026.

Plan Type	Premiums Paid By	Current Provider	Current Budget	Recommended Finalist	Change	Projected Budget	Rate Cap or Rate Guarantee
Health insurance	County, Shared	BCBS of MN	\$4,248,227	BCBS of MN	23%	\$5,225,319	19% rate cap
Dental insurance	Employee, Shared	BCBS of MN	\$113,836	MetLife	-20%	\$91,069	2-yr guarantee
Vision insurance	Employee	BCBS of MN		MetLife	-20%		2-yr guarantee
Basic life insurance	County	Sun Life	\$21,252	MetLife	-12%	-\$18,702	3-yr guarantee
Supplemental life insurance	Employee	Sun Life		MetLife	-8%		3-yr guarantee
Short-term disability	Employee	Sun Life		MetLife	-73%		2-yr guarantee
Long-term disability	Employee	Sun Life		MetLife	-49%		3-yr guarantee
Minnesota paid leave (MPL)	Shared	n/a	n/a	MetLife	-9%	\$147,488	2-yr guarantee

HEALTH INSURANCE

After 4 years of favorable health insurance renewals, plan premiums for 2026 were expected to rise significantly due to high-cost claims and utilization as well as medical inflation. Based on these factors, Blue Cross Blue Shield (BCBS) calculated our renewal at a 43% increase.

In anticipation of significant plan increases, the County sought proposals from health insurance providers to leverage competitive advantage. On August 20th, the Committee reviewed proposals from finalists and recommends accepting renewal with BCBS whose final proposal represents a 23% increase over current.

The BCBS proposal includes:

- slight increase to plan 1 deductibles (\$100, single & \$200, family) to retain embedded deductible status;

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- adjustment of plan 2 deductibles and out-of-pocket maximums (+\$200, single & +\$400, family) to retain minimum value plan designation; and
- a rate cap of 19% for 2027.

The Committee also reviewed a number of cost containment strategies and favored implementing a high-value network option and Kavira, an employer paid, direct primary care alternative.

High-Value Network

Goodhue County health plans currently utilize the BCBS Aware network which covers 98% of doctors and 100% of hospitals in Minnesota. The Committee is not recommending making a change to the network. The Committee is recommending the County offer an alternative network to provide premium relief for individuals who prefer to seek care outside of the Mayo Clinic Health System or Veterans Administration Medical Center at providers such as Allina, Gundersen Health System, Northfield Hospital & Clinic, Olmsted Medical Center, Winona Health, etc. It is recommended that Goodhue County offer employees the option to choose one of the following health plan options:

- Plan 1 – Aware;
- Plan 2 – Aware;
- Plan 1 – High Value Network; or,
- Plan 2 – High Value Network.

Kavira Direct Primary Care

Direct primary care helps control healthcare costs by charging a fixed monthly fee per employee, rather than billing insurance. Care provided through this model is affordable, convenient, and does not impact our group insurance claims or premiums. Kavira Health is a Minnesota based primary care provider that offers same-day virtual care with at home visit follow-up. Through Kavira, employees who participate in the health insurance plan (and members of their household) receive free, on-demand access to care plus over 300 free prescription medications. Kavira treats acute and chronic conditions, provides non-emergency imaging, lab, and preventive services.

Kavira is an employer sponsored, employer paid program. For 2026, Blue Cross Blue Shield will offer a 3% premium reduction if the County adds Kavira. These one-time savings amount to nearly \$80,000.

	# Employees	PEPM	Monthly	Annual Cost
In-Person Care + Telehealth	333	\$27	\$8,991	\$107,892
2026 Estimated BCBS Premium (<i>Employer + Employee Contributions</i>)				\$6,236,878
Estimated Premium After Kavira Discount				\$6,049,772
Premium Savings				\$187,106
Kavira Cost				\$107,892
Total Savings				\$79,214

The Committee recommends adding Kavira because:

- There are one-time savings to the group of nearly \$80,000.
- It will redirect claims away from the medical plan and builds a foundation for long-term cost containment.
- The coverage through Kavira compliments the high-value network by providing convenient, alternative care options to individuals who live in areas where the Mayo Clinic Health System dominates the market.
- It ensures employees have easier access to high-quality care, providing personalized support and effective chronic condition management, all of which promote better health outcomes and overall well-being.
- It is a unique, low-cost, high-value benefit that can set the County apart to attract and retain talent.

HEALTH SAVINGS ACCOUNT

Goodhue County contributes to a health savings plan (HSA) for eligible employees enrolled in County health insurance plans. The County contribution is equal to 50% of the deductible for the plan and coverage level (single or family) elected by the employee. With the proposed health insurance deductible changes, the County HSA contributions would increase as shown below.

	<u>Current</u>	<u>2026</u>
Plan 1		
Single	\$1,650	\$1,700
Family	\$3,300	\$3,400
Plan 2		
Single	\$4,150	\$4,250
Family	\$8,300	\$8,500

DENTAL INSURANCE

Goodhue County offers two dental plan options: low plan and high plan. For employees enrolled in health plan 2 ("minimum value plan"), the County offers complimentary dental coverage on the low plan option. All other dental plan participants may enroll on a voluntary basis and are responsible for premiums. The Committee evaluated dental proposals and recommends accepting MetLife. The MetLife proposal matches current plan designs with enhanced bitewing x-ray benefits at a nearly 21% premium reduction.

VISION INSURANCE

Goodhue County offers vision insurance on a voluntary basis and employees are responsible for all premiums. The Committee evaluated vision proposals and recommends accepting MetLife. The MetLife proposal matches current plan designs at a nearly 20% premium reduction.

LIFE INSURANCE

Goodhue County provides a basic life insurance policy in the amount of \$40,000 to all benefit eligible employees. County employees can elect supplemental life insurance for themselves, their spouse and/or dependent children. The current provider, SunLife, submitted a renewal to maintain current plan premiums. The Committee reviewed competing proposals and recommends accepting the MetLife proposal which guarantees rates for 3 years and provides a 12% reduction in premiums for basic life and 7.7% reduction in premiums for voluntary life.

SHORT-TERM & LONG-TERM DISABILITY INSURANCE

On a voluntary basis, employees can elect short-term and/or long-term disability insurance which provides salary replacement when an employee is unable to work due to a covered accident, injury, or illness. The current provider, SunLife, submitted a renewal to maintain current plan premiums. The Committee reviewed proposals and recommends accepting the MetLife proposal which guarantees short-term disability rates for 2 years at a 73% premium reduction and long-term disability rates are guaranteed for 3 years at a 49% reduction in premiums.

MINNESOTA PAID LEAVE

In 2026, Minnesota will become the 13th state to adopt paid family and medical leave. The law allows employers to participate in the state plan or an equivalent private plan option. The state plan is paid for through a payroll tax in the amount of 0.88% for 2026; the tax rate will be adjusted annually.

The County sought proposals for equivalent private paid leave plans. The Committee recommends accepting the MetLife proposal at 0.80% with a 2-year rate guarantee.

RECOMMENDATIONS

1. Accept renewal with Blue Cross Blue Shield of MN for 2026 with direct primary care through Kavira.
2. Increase plan 1 deductibles to \$3,400 (single) and \$6,800 (family) to maintain embedded deductible status.
3. Increase plan 2 deductibles and out-of-pocket maximums to \$8,500 (single) and \$17,000 (family) to maintain minimum value plan designation.
4. Offer high-value network option for both health plan 1 and plan 2.
5. Accept dental insurance proposal from MetLife.
6. Accept vision insurance proposal from MetLife.
7. Accept basic and voluntary life insurance proposals from MetLife.
8. Accept short-term and long-term disability insurance proposals from MetLife.
9. Accept MetLife proposal for an equivalent private state paid leave plan.