



Quarterly Plan Experience Summary

FY 2026 Medical / Rx

Governing Body Committee Meeting

City of Santa Fe

Presented: October 29, 2025



Medical Plan Rate History (FY2020 - Current)

Fiscal Year	Recommendations for Plan Sustainability	Actual Change to Rate or Plan
FY2026 (July 1, 2025-June 30, 2026)	Result of Medical / Rx RFP: Move to BCBSNM, Maintain FY2025 medical insurance rates (0.0% increase)	All rates held from FY2025 – 0% increase
FY2025 (July 1, 2024-June 30, 2025)	6.8% increase to medical insurance rates	All rates except HRA EE Only rate increased 6.8% HRA EE Only rate was reduced from \$82 to \$75 to comply with ACA Affordability requirements
FY2024 (July 1, 2023-June 30, 2024)	0.5% increase to medical insurance rates	Fire Union Employees - 0.5% increase to medical insurance rates All employees except Fire Union-7% increase to medical insurance rates (0.5% for FY2024 and the remaining 6.5% from FY2023)
FY2023 (July 1, 2022-June 30, 2023)	18.5% increase to medical insurance rates	Fire Union Employees-18.5% increase to medical insurance rates All employees except Fire Union-12% increase to medical insurance rates (with a minimum of 6.5% increase for FY2024)
FY2022 (July 1, 2021-June 30, 2022)	11.1% increase to medical insurance rates	No increases to insurance rates for any employees and no plan design changes due to COVID.
FY2021 (July 1, 2020-June 30, 2021)	9.2% increase to medical insurance rates	No increases to insurance rates for any employees due to COVID. To offset the cost, there were minor plan design changes to include: copay increases for office/specialist visit, IP/OP hospital visit ambulance; decrease to copay for telehealth; copay and visit limit changes to Acu, Chiro, Napra, MT, PT, ST and OT
FY2020 (July 1, 2019-June 30, 2020)	11% increase to medical insurance rates	9.9% increase to medical insurance rates for all employees and 11.4% increase to dental insurance rates. No plan design changes.

FY2026 Total Cost Vs. Budget – Medical and Rx Plans

- Total Budget for FY2026 plan year is \$24.25M. The City's portion of the budget is \$18.56M; the remaining \$5.68M comes from employee contributions.
- No change from FY2025 City budgets or Employee Contribution bi-weekly rates
- Confirmation of Premium Holiday - December 2025
 - One bi-weekly contribution this December (FY2026)
 - Estimated cost: \$218K
- FY2026 Q1 Results
 - 95.5% Loss Ratio – result below 100% is considered positive experience
 - Surplus in excess of \$218K supports a December 2025 premium holiday

FY2026 Total Cost Vs. Budget – Medical and Rx Plans

- Q1 Costs versus Budget Experience

	Calculated Funding	BCBSNM Claims	Calculated BCBSNM Admin	BCBSNM Loss Ratio	Cigna Runout Claims	Combined Loss Ratio	6 Month Admin Credit	Ad Hoc Stop Loss Credit	Rebate Credit	Loss Ratio After Credits
7/1/2025	\$2,013,797	\$621,175	\$226,742	42.1%	\$962,564	89.9%	(\$54,474)			87.2%
8/1/2025	\$2,010,830	\$1,552,227	\$225,981	88.4%	\$290,702	102.9%	(\$54,292)	(\$172,990)		91.6%
9/1/2025	\$2,022,158	\$2,023,421	\$228,074	111.3%	\$132,214	117.9%	(\$54,794)		(\$154,593)	107.5%
Q1 2025/26	\$6,046,785	\$4,196,823	\$680,797	80.7%	\$1,385,480	103.6%	(\$163,560)	(\$172,990)	(\$154,593)	95.5%

- 95.5% Loss Ratio represents a Q1 surplus of \$275K
- Cigna runout claims expected to taper off sharply, minimal cost after Q2
- Another \$164K of admin credits expected in Q2
- Rebate credits of \$155K per quarter expected for remainder of plan year
- Plan is in good shape to absorb \$218K premium holiday

