



OKHEEI Board Meeting

May 20, 2025



Gallagher

Insurance | Risk Management | Consulting

Agenda

- ❖ Industry Trends
- ❖ Reporting
- ❖ 2026 Renewals
 - ❖ Medical / Stop Loss
 - ❖ Non-Medical
 - ❖ Action Items
- ❖ Appendix

2026 Renewal Objective

Objective:

Provide a quality and valuable benefits program for recruitment and retention of OKHEEI employees that fits within budget.

Issues:

Rising trend, network contract negotiations, rise in large claimants (cardiac, cancer, prescriptions). Resulted in budget overruns.

2024 & 2025 Plan Change Recap

Sustainability and Proactive Plan Management

Recap	Response
BCBSOK 2024 Renewal Recap	<p>0% Increase</p> <ul style="list-style-type: none">Starting in 2024, Flex Access was added to result in \$700k estimated savings to Rx Specialty spendFor 2024, Gallagher Pharmacy Team negotiated contract with Prime for an estimated 3-5% of savingsIn 2024, OKHEEI increased plan cost share to Blue Options Plans to decrease member cost share outside the state of OklahomaIn 24/25, OKHEEI streamlined the retiree eligibility process within Empyrean Ben Admin System to ensure accuracy and timeliness of retiree eligibility
BCBSOK 2025 Renewal Recap	Released Renewal at +86%; Revised Renewal +24.4%
BCBSOK Cost Containment Options	<p>Several Cost Containment Approaches were evaluated (bold was elected):</p> <ul style="list-style-type: none">Plan OOP Max's & Rx Specialty Change - \$794k est. savingsPrime Formulary Move - \$493k est. savingsNo New Laser provision in Stop Loss ContractSeparate Rx Deductible to mimic state plan – Significant estimated savingsDeductibles and Office Visit Copays – Little financial impactRemoval of Weight Loss Drugs - \$568k est. savings (2.5%)Realignment of Employee Contribution Strategy by College – Savings ranges by college
FINAL 2025 Decisions	<p>OKHEEI Final fixed cost decrease of -88.7% (\$531,188)</p> <ul style="list-style-type: none">Did not require a change in stop loss contracts <p>Final renewal increase of 15.7% in total expected cost (claims driven).</p>

Gallagher Pharmacy Review

Gallagher's pharmacy benefit plan consulting focuses on three key services:

1. **Contract Analysis and Integrity Check:** Gallagher conducts a thorough review of the current PBM contract and recent program performance to establish a baseline of performance and integrity. This includes examining financial and qualitative aspects such as pricing, audit rights, legal requirements, clinical management programs, rebates, and service performance guarantees. The aim is to identify beneficial areas and close loopholes to reduce costs and improve service quality.
2. **Financial/Claims Analysis:** detailed analysis of claims data over a 12-month period is performed to identify discrepancies between actual costs and quoted prices in the contract. This analysis covers various components like ingredient cost, dispensing fees, and specialty drug indicators, ensuring that the true costs align with the contractual terms.
3. **Contract Negotiation:** Gallagher will negotiate the PBM to improve pricing and contract terms, addressing any loopholes or unacceptable caveats identified. The goal is to secure a market-competitive agreement that better protects the health plan interests during the renewal term.

The contract negotiation process is expected to yield several improvements, including:

1. **Improved Pricing:** Achieving more favorable pricing terms that are competitive within the market, potentially leading to cost savings.
2. **Enhanced Contract Terms:** Closing any identified loopholes and addressing unacceptable caveats to ensure clearer and more beneficial terms.
3. **Better Protection of Interests:** Ensuring that the contract better safeguards the interests of the plan, reducing the risk of unexpected costs or substandard service.
4. **Increased Transparency:** Enhancing transparency in the contract to provide a clearer understanding of costs and services.
5. **Strengthened Service Guarantees:** Securing stronger service performance guarantees to ensure higher quality and reliability of services provided by the PBM.

Contract Savings:

- 2024 - \$919,664.03
- 2023 - \$681,198.77

OKHEEI Plan Advantages

1. Coverage available for employee not residing in State of Oklahoma
2. Control over plan budget
3. Control over plan design and all coverages offered
4. Control over administration processes
5. Control over vendors and third parties
6. Robust \$0 out of pocket benefit program – Zero Card
7. Superior service model for employees, retirees, and their dependents
8. Create custom benefits package that is above benchmark to attract and retain top talent
9. Own vs Rent

OKHEEI Medical Plans

Did you know....
The average deductible is \$1,500

	PLAN A	PLAN B	PLAN C	PLAN F
	Blue Preferred	Blue Options*	Blue Preferred	Blue Options* — HSA HDHP
Lifetime Benefit Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Annual Deductible	\$750 single / \$2,250 family	\$1,250 single / \$3,750 family	\$2,000 single / \$5,000 family	\$3,500 single / \$7,000 family
Annual Out-of-Pocket Maximum	\$3,500 single / \$10,500 family	\$4,000 single / \$12,000 family	\$5,000 single / \$15,000 family	\$6,650 single / \$13,300 family
Coinsurance	20%	20%	20%	20%
DOCTOR'S OFFICE				
Primary Care Office Visit	\$20 copay per visit	\$25 copay per visit	\$35 copay per visit	20% after deductible
Specialist Office Visit	\$40 copay per visit	\$40 copay per visit	\$50 copay per visit	20% after deductible
Preventive Care (screening, immunization)	0%	0%	0%	0%
Diagnostic Test (x-ray, blood work)	20% after deductible	20% after deductible	20% after deductible	20% after deductible
Imaging (CT/PET scans, MRIs)	20% after deductible	20% after deductible	20% after deductible	20% after deductible
HOSPITAL SERVICES				
Emergency Room	\$100 copay per visit ** + 20% after deductible	\$150 copay per visit ** + 20% after deductible	\$150 copay per visit ** + 20% after deductible	20% after deductible
Inpatient	20% after deductible	20% after deductible	20% after deductible	20% after deductible
Outpatient Surgery	20% after deductible	20% after deductible	20% after deductible	20% after deductible
Urgent Care	\$40 copay per visit	\$40 copay per visit	\$50 copay per visit	20% after deductible
PRESCRIPTION DRUGS***				
Generic Drugs		Retail: \$30 copay Mail Order: \$90 copay		20% after deductible
Preferred Drugs		Retail: \$60 copay Mail Order: \$180 copay		20% after deductible
Non-Preferred Drugs		Retail: \$90 copay Mail Order: \$270 copay		20% after deductible
Specialty Drugs		Retail: \$150 copay, deductible does not apply Must be ordered through Prime Oklahoma Specialty Network (no mail order available)		20% after deductible
Supply Limits		Retail: 30 Day Supply Mail Order: 90 Day Supply		

Notable Plan Advantages

- **Zero Dollar Outpatient Services**
- **Zero Dollar Prescriptions**
- **\$250 wellness deductible credit for all family members above age 18**
 - If wellness completed AND if the member participates in Voya, each member could receive up to \$200

Financial Monitoring Report

2025

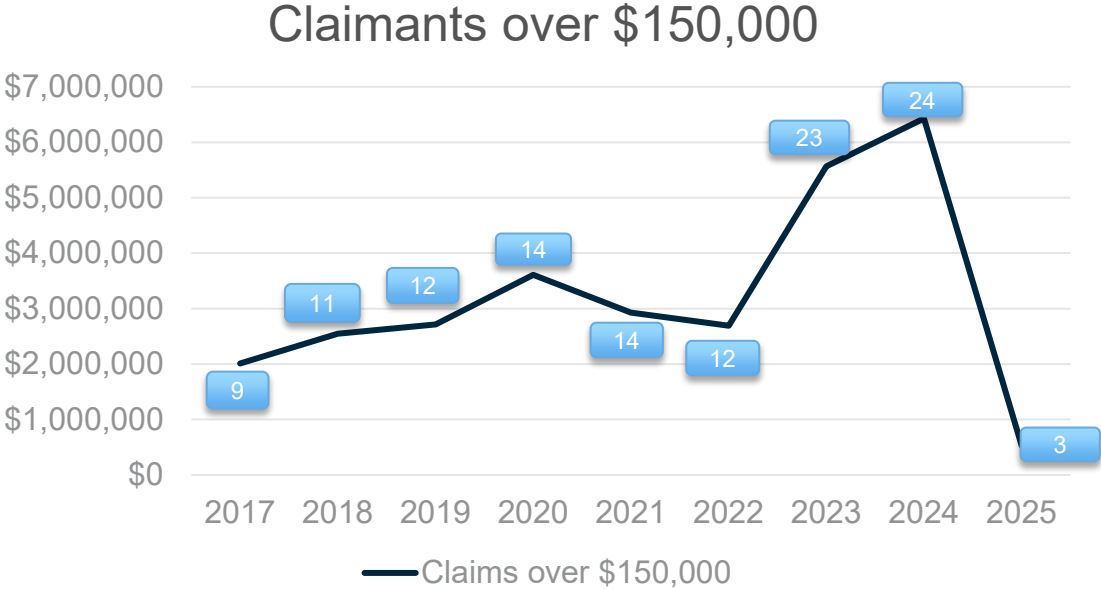
Paid Month	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Year-to-Date		
													Total	PEPM	
Enrollment															
Subscribers	3,009	3,030	3,034											9,073	
Members	4,171	4,198	4,206											12,575	
Contract Size	1.39	1.39	1.39											1.39	
Claim Payments															
Medical Claims	\$1,540,466	\$1,384,006	\$1,823,056											\$4,747,529	\$523.26
Pharmacy Claims	\$1,272,812	\$1,040,877	\$1,034,502											\$3,348,192	\$369.03
Rx Rebates	\$0	\$0	(\$919,664)											(\$919,664)	(\$101.36)
Access Fees	\$420	\$144	\$96											\$659	\$0.07
Claims Over Specific	\$0	\$0	\$0											\$0	\$0.00
Total Claim Payments	\$2,813,699	\$2,425,027	\$1,937,990											\$7,176,716	\$791.00
Total Claim Payments PEPM	\$935.09	\$800.34	\$638.76												
ZERO Card															
Claims	\$244,617	\$223,836	\$98,225											\$566,678	\$62.46
Fee	\$36,702	\$33,575	\$14,734											\$85,012	\$9.37
Total ZERO Card Cost	\$281,319	\$257,411	\$112,959											\$651,690	\$71.83
Fixed Costs															
Administrative Fees	(\$256,337)	(\$258,126)	(\$258,466)											(\$772,929)	(\$85.19)
Consulting Fee	\$12,000	\$12,000	\$12,000											\$36,000	\$3.97
Stop Loss Premiums	\$193,268	\$194,617	\$194,874											\$582,759	\$64.23
Total Fixed Costs	(\$51,069)	(\$51,509)	(\$51,593)											(\$154,170)	(\$16.99)
Total Plan Cost	\$3,043,949	\$2,630,930	\$2,143,809											\$7,674,235	\$845.83
Employee Contributions ⁽¹⁾	\$882,545	\$885,780	\$883,239											\$2,651,563	\$292.25
Employer Cost	\$2,161,405	\$1,745,150	\$1,260,570											\$5,167,125	\$569.51
Budget Comparison															
Budgeted Cost ⁽¹⁾	\$2,807,528	\$2,822,762	\$2,826,895											\$8,457,185	\$932.13
Actual Cost	\$3,043,949	\$2,630,930	\$2,143,809											\$7,818,688	\$861.75
Surplus/(Deficit)	(\$236,421)	\$191,832	\$683,086											\$638,497	\$70.37

- Enrollment for March was 3,034
- April paid claims were \$2,495,672
- Gallagher Pharmacy Check in March for **\$919,664.03**



Year over Year Large Claim Trend

2017 – Mar 2025



Note: Blue boxes represent # of members that exceeded \$150k in claims
2023 – Above members represent \$5,567,852 in paid claims
2024 – Above members represent \$6,040,431 in paid claims

Financial Monitoring Report

2025

Key Indicators Summary	Jan 2024 - Mar 2024	Jan 2025 - Mar 2025	% Change
Unique Pharmacy Members	4,344	4,275	-1.6%
Claimants	2,606	2,582	-0.9%
Prescriptions	17,556	17,640	0.5%
Prescriptions PMPM	1.39	1.40	1.2%
Paid	\$2,904,803	\$3,348,192	15.3%
Paid PMPM	\$229.32	\$266.26	16.1%
Allowed	\$3,460,733	\$3,944,605	14.0%
Allowed PMPM	\$273.21	\$313.69	14.8%
Avg. Ingredient Cost/Prescription	\$196.74	\$223.36	13.5%
Generic Dispensing Rate	85.5%	83.1%	-2.8%
Generic Substitution Rate	99.0%	99.1%	0.1%
Out of Pocket Percent of Allowed	16.1%	15.2%	-5.6%
Retail as a Percent of Prescriptions	99.5%	99.6%	0.1%
Mail Order as a Percent of Prescriptions	0.5%	0.4%	-11.6%
Specialty Percent of Total Prescriptions	2.6%	2.9%	9.8%
Specialty Percent of Total Paid	56.2%	45.5%	-19.1%
Specialty Average Ingredient Cost/Prescription	\$4,105.07	\$3,579.62	-12.8%

- The main driver of the increase in spend is the weight management benefit coverage. There was a 278% increase in claim volume over 2023
- Retail Brand is up in total claims and the average cost per claim in this category is also up about \$75 more per claim

Large Claimants

2025

Jan 2025 - Mar 2025

Encrypted Member ID	Relationship	Age/Gender Band	Leading Diagnostic Category	Inpatient Paid	Outpatient Paid	Professional Paid	Pharmacy Paid	Paid	Currently Enrolled
8055372538182095603	Dependent	Male <1-19	Congenital	\$183,248	\$8,788	\$5,836	\$0	\$197,872	Yes
4823970337043225382	Subscriber	Male 65+	Circulatory	\$118,387	\$53,577	\$5,663	\$1,619	\$179,246	Yes
2705283036506510957	Dependent	Male 30-39	Not Available	\$0	\$0	\$0	\$151,613	\$151,613	Yes
7759998979243994847	Dependent	Female 20-29	Nervous	\$0	\$117,308	\$17,898	\$19	\$135,225	Yes
6897625143626280565	Subscriber	Female 60-64	Circulatory	\$115,410	\$0	\$18,330	\$24	\$133,764	No
5216747861808814841	Dependent	Male 20-29	Neoplasms	\$61,800	\$62,003	\$7,490	\$201	\$131,494	Yes
2392423854459192735	Subscriber	Female 65+	Circulatory	\$113,178	\$4,376	\$4,853	\$3,334	\$125,741	Yes
7180053246399946936	Spouse	Male 50-59	Neoplasms	(\$16,372)	\$34,312	\$105,295	\$700	\$123,935	No
3450973281981287829	Spouse	Female 50-59	Blood	\$0	\$107,292	\$7,800	\$6,194	\$121,286	Yes
8170386933036993022	Subscriber	Female 65+	Circulatory	\$0	\$100,707	\$3,291	\$5,470	\$109,468	Yes
4850519090187719359	Subscriber	Female 65+	Injury/Poisoning	\$97,439	\$3,741	\$7,914	\$10	\$109,104	Yes
793250222064581772	Subscriber	Female 50-59	Nervous	\$0	\$96,826	\$129	\$361	\$97,316	Yes
1596297841876702074	Subscriber	Male 65+	Neoplasms	\$0	\$89,936	\$2,353	\$1,873	\$94,162	Yes
4873211461728015041	Subscriber	Male 60-64	Not Available	\$0	\$0	\$2,135	\$86,334	\$88,469	Yes
3875324696770548825	Subscriber	Female 60-64	Health Status	\$19,780	\$1,316	\$54,539	\$3,942	\$79,577	Yes
1551646551029925302	Subscriber	Female 30-39	Not Available	\$23,980	\$129	\$7,835	\$41,099	\$73,043	No
8174187081626194112	Subscriber	Male 60-64	Digestive	\$0	\$39,970	\$1,260	\$23,688	\$64,918	No
71688589810862671	Subscriber	Male 50-59	Circulatory	\$0	\$508	\$57,756	\$2,624	\$60,888	Yes
6847200099060149722	Subscriber	Male 40-49	Not Available	\$0	\$0	\$149	\$60,152	\$60,301	Yes
1968092438748479335	Subscriber	Female 50-59	Neoplasms	\$0	\$55,136	\$3,708	\$0	\$58,844	Yes
High Cost Claimant Total				\$716,850	\$775,925	\$314,234	\$389,257	\$2,196,266	

- OKHEEI has 16 active claimants over \$50k, 3 of those are driven by high-cost Rx

Medical Claim Distribution

Year End 2024

Paid Band	Claimants	Claimants %	Paid	Paid %	Paid/Claimant
Less than \$200	1,164	26.1%	\$39,120	0.2%	\$34
\$200 - \$1,000	1,519	34.1%	\$786,495	4.1%	\$518
\$1,001 - \$5,000	1,209	27.1%	\$2,642,744	13.6%	\$2,186
\$5,001 - \$10,000	229	5.1%	\$1,638,899	8.5%	\$7,157
\$10,001 - \$30,000	203	4.6%	\$3,418,368	17.6%	\$16,839
\$30,001 - \$50,000	58	1.3%	\$2,199,849	11.4%	\$37,928
Summary <= \$50,000	4,382	98.4%	\$10,725,475	55.3%	\$2,448

Paid Band	Claimants	Claimants %	Paid	Paid %	Paid/Claimant
\$50,001 - \$75,000	32	0.7%	\$1,979,668	10.2%	\$61,865
\$75,001 - \$100,000	13	0.3%	\$1,125,509	5.8%	\$86,578
\$100,001 - \$150,000	15	0.3%	\$1,788,865	9.2%	\$119,258
\$150,001 - \$200,000	4	0.1%	\$653,174	3.4%	\$163,294
\$200,001 - \$250,000	3	0.1%	\$637,942	3.3%	\$212,647
\$250,001 - \$500,000	5	0.1%	\$1,834,971	9.5%	\$366,994
\$500,001+	1	0.0%	\$634,021	3.3%	\$634,021
Summary \$50,001 or Greater	73	1.6%	\$8,654,150	44.7%	\$118,550
Combined Summary	4,455	100.0%	\$19,379,625	100.0%	\$4,350

- 64% of claimants had claims < \$1k
- 88.5% of claimants had claims < \$5k
- Claimants with claims over \$50k represented 1.4% of total membership, but 40% of claims.

43% of OKHEEI's enrollment is in Plan B (43%), which has a \$3,500 OOP max. Only 23% is enrolled in Plan A.

Enrollment Distribution

2023 - 2025

	2023	2024	2025
Total Enrollment	2,991	3,010	3,034
Plan A (\$750/\$3,500)	27%	23% (682 ee's)	8% (245 ee's)
Plan B (\$1,250/\$4,000)	39%	43% (1,289 ee's)	56% (1,708 ee's)
Plan C (\$2,000/\$5,000)	32%	32% (969 ee's)	34% (1,013 ee's)
Plan F (HSA \$3,500/\$6,650)	2%	2% (70 ee's)	2% (68 ee's)

2026 Renewal

2026 RFP

Renewal Marketing

Medical Plan Alternative Providers

- Gallagher Benefits marketed to 18 self-funded TPA's, networks and stop loss carriers. BCBS and Surest most competitive in benefits and pricing.
 - Reminder - Some markets will not allow "firm and final" due to early timing requirements of renewal.
 - BCBS Pharmacy Contract under Gallagher Coalition expires 12/31/2025. Recommend renewing

Dental Plan – Coming out of rate guarantee. Dental is offering 2-year rate guarantee

- Preventive Plan Loss Ratio – 111% - 11% increase - \$2.02 on ee only rate per month
- Low Plan Loss Ratio – 112% - 12% increase - \$4.44 on ee only rate per month
- High Plan Loss Ratio – 132% - 20% increase - \$10.06 on ee only rate per month

Marketed Dental to other carriers – No savings compared to Delta Dental. Provider disruption in most areas

Vision Plan – In Rate Guarantee

Life & Disability – The Standard

- Basic Life – Renewal step increase from \$.14 to \$.155. Negotiated down from a 39% increase
 - **141%** loss ratio (deficit of ~\$1.8M) since 1/2019 (inception)
 - Actives loss ratio ~**101%** (deficit of \$450k)
 - Retiree loss ratio ~**316%** (deficit of \$1.34M)
- Voluntary Life, STD, and LTD – Rate Pass w/ 2-year rate guarantee

2026 Surest Consideration

surest[™]

A UnitedHealthcare Company

The future of health care is here.

Have you ever visited a restaurant that had certain menu items listed as “market priced”? How did that impact your decision of what to order? Did you avoid ordering what might have been your first preference?

If you did order a “market priced” item, what sense of stress or anxiety did you feel not knowing what your total bill would be at the end of the meal?

Why do we have the same pricing structure within health care? Too often, we receive health care services without a clear understanding of costs. Uncertainty, anxiety, and stress are all part of a broken system that has, unfortunately, become standard in the health care experience.

1 in 5

UnitedHealthcare national employers offer Surest.¹

Addressing health care’s biggest challenges.



Care avoidance

41% of Americans with health insurance have avoided getting medical care because they know or feared insurance wouldn’t cover the costs.²



Fear of unknowns

Americans can’t afford surprise bills but struggle to know what things costs in advance. 40% of Americans would be unable to cover a surprise \$400 expense.³



Rising costs

The average cost for U.S. employers that pay for employees’ health care will increase 6.5% to \$13,800 per employee in 2023, more than double the 3% increase to health care budgets which employers experienced from 2021-2022.⁴

But what happens if you address the root causes of these roadblocks? What happens if you design a health plan that eliminates “market pricing” and instead gives members information to make informed decisions? A health plan that eliminates deductibles, eliminates confusion, and gives members the opportunity to check prices and compare options before receiving the bill? And even better, what happens if members make decisions based on quality and value rather than what’s simply available?

You get the surest health plan. You get engaged members. And you get results.

When members can check prices and compare options — with doctors evaluated as high-value typically priced lower — they’re more likely to shop and choose differently.

Savings for employers, without cost-shifting:

11%

lower total cost per member, per month.⁵

5%

Year-over-year medical trend was **less than 5%** sustained across 3 years.⁶

11%

Average employer saving.⁷

Surest builds trust — no more “market pricing” — and creates engaged consumers who become empowered consumers; consumers who are helping redefine what the health care experience can, and should, be.

Members’ annual out-of-pocket costs are **54% lower** than the national average.⁸

More members scheduled preventive visits — and less surgeries.

34%

increase in preventive colonoscopies.⁹

15%

increase in preventive mammograms.¹⁰

9%

increase in preventive physical exams.¹¹

5%

reduction in overall surgeries.¹²

A benefit plan that aligns cost and value, and allows members an easy way to access information to make decisions on their care, is a win-win for employees AND employers.

1. 2022 Surest book of National Account customers amongst the UnitedHealthcare book of National Account customers.
 2. Polysurvey 2022 Health Insurance Survey.
 3. KFF Healthcare Debt Survey, March 2022.
 4. Aon Study, 2022. <https://doi.org/10.1080/2022.2285041>
 5. Surest 2022 book of business plan sponsors with both medical and pharmacy data within our warehouse relative to moderately managed benchmark. Independently developed 2022 benchmark based on a database containing healthcare claims from 86 million U.S. lives risk adjusted for demographics, geography, and disease burden. 06_08
 6. Surest book of business 2019 - 2022 (medical only). 10_01_V02.
 7. Combination of modeled and actual results across Surest prospects and clients in 2022, independently developed benchmark based on a database containing healthcare claims from 86 million U.S. lives risk adjusted for demographics, geography, and disease burden.
 8. Sample self-funded 2021 book of business plan sponsors with at least 12 months of incurred experience in 2021 and both medical and pharmacy data within our warehouse, compared to matched comparison groups from a nationally representative commercially insured database matched by gender, age, urbanicity, and ZIP code using exact matching. 141_V01.
 9. 10_21_21. Regenera study comparing the changes in utilization for members from large market employers who were in a SHC plan for 12 months in 2021 and the Surest plan for 12 months in 2022. 147_V01.
 10. Surest 2022 book of business. Independently developed 2022 benchmark based on a database containing Healthcare claims from 86 million U.S. lives risk adjusted for demographics, geography, and disease burden. Insurance coverage for fully insured plans is provided by All Savers Insurance Company (FL, GA, OH, UT and WA), by UnitedHealthcare Insurance Company of IL, IA, IN, MI, MN, MO, WI, NY, ND, SD, VA, or by UnitedHealthcare Insurance Company for AL, AR, AZ, CO, DC, DE, GA, IA, IL, IN, KS, LA, MI, MN, MO, MS, NE, NC, NH, NJ, NY, OH, PA, RI, SC, TN, TX, VA, WV. These policies have exclusions, restrictions, and terms under which the policy may be continued in force or discontinued. For costs and complete details of the coverage, contact either your broker or the company. Administrative services for insurance products underwritten by All Savers Insurance Company and UnitedHealthcare Insurance Company, and for self-funded plans, are provided by United Benefits, the U.S. Surest, its affiliate United Healthcare Services, Inc., or by third parties, Inc. © U.S. Surest Administrators Services, Inc. CA 01/20/2023, Inc. ©2023 Surest. All rights reserved. 02/23 23-01-054272_0024

2026 Surest Consideration

Plan Design

	PROPOSED SUREST PLAN**		CURRENT PLANS		
Plan Name:	Surest C 5000	Surest E 7000	Plan A	Plan B	Plan C
Current Enrollment:			244	1,697	985
Med + Rx Plan Paid Claims Impact excluding HSA funding (from Trad plan to Surest C 5000 plan):			-8.6%	-6.4%	-2.4%
Med + Rx Plan Paid Claims Impact excluding HSA funding (from Trad plan to Surest E 7000 plan):			-16.7%	-14.7%	-11.1%
Design Summary (Individual):					
HRA/HSA	\$0	\$0	\$0	\$0	\$0
Deductible - Medical + Rx	\$0	\$0	\$750	\$1,250	\$2,000
Coinsurance (Member Paid)	0%	0%	20%	20%	20%
OOP Maximum - Medical + Rx	\$5,000	\$7,000	\$3,500	\$4,000	\$5,000
Office Visit - PCP	Combined Range: \$20 to \$105	Combined Range: \$40 to \$150	\$20 Copay	\$25 Copay	\$35 Copay
Office Visit - Specialist			\$40 Copay	\$40 Copay	\$50 Copay
Mental Health Office Visit	\$20	\$40	\$20 Copay	\$25 Copay	\$35 Copay
Virtual Health	\$0 to \$105	\$0 to \$150	N/A	N/A	N/A
Routine Diagnostic Test (X-ray, Lab, Ultrasound)	\$0	\$0	20% Coins. after Ded.	20% Coins. after Ded.	20% Coins. after Ded.
Complex Imaging	\$100 to \$1,400	\$150 to \$2,400	20% Coins. after Ded.	20% Coins. after Ded.	20% Coins. after Ded.
Emergency Room	\$650	\$1,000	20% Coins. after Ded.	20% Coins. after Ded.	20% Coins. after Ded.
Urgent Care	\$60	\$90	\$40 Copay	\$40 Copay	\$50 Copay
Procedures (ASC, OP, IP)	Up to \$3,000	Up to \$4,500	By Place of Service	By Place of Service	By Place of Service
Other Inpatient Hospital	\$2,000	\$3,500	20% Coins. after Ded.	20% Coins. after Ded.	20% Coins. after Ded.
Maternity	\$900 to \$2,000	\$1,850 to \$3,500	20% Coins. after Ded.	20% Coins. after Ded.	20% Coins. after Ded.
Rx - Tier 1	\$10	\$10	\$30 Copay	\$30 Copay	\$30 Copay
Rx - Tier 2	\$60	\$90	\$60 Copay	\$60 Copay	\$60 Copay
Rx - Tier 3	\$90	\$160	\$90 Copay	\$90 Copay	\$90 Copay
Preferred Specialty Rx	\$270	\$480	\$150 Copay	\$150 Copay	\$150 Copay

*The above savings projections assume a standard open access network and do not account for unique network arrangements such as HMOs, narrow networks, accountable care organizations (ACOs), or reference-based pricing (RBP).

**Final 2026 Surest Design(s) may include updates from presented design.

2026 Surest Consideration

Office Visit	\$20 to \$105
Virtual Care	
Virtual Health (Primary and Urgent)	\$0
Virtual Health (Mental Health & Substance Use Disorder)	\$20 to \$60
Virtual Health (Specialty)	\$0 to \$105
Preventive Care	\$0
Routine Diagnostic Test (X-ray, Lab, Ultrasound, etc.)	\$0
Complex Imaging (MRI, CT, etc.)	\$100 to \$1,400
Emergency Room	\$650
Observation Stay	\$650
Ambulance	\$375
Urgent Care	\$60
Procedures (Office, Outpatient and Inpatient)	\$35 to \$3,000
Procedures (Inpatient and some Outpatient)	\$200 to \$3,000
Other Outpatient Hospital Services	\$150 to \$850
Other Inpatient Stay (inc. admission from ER)	\$2,000
Mental Health & Substance Use Disorder	
In an office setting	\$20
Intensive Outpatient Treatment Program	\$60
Partial Hospitalization Program	\$110
In an outpatient setting	\$110
In an inpatient setting	\$1,600
Maternity	
Prenatal and Postnatal Care	\$0
Delivery	\$900 to \$2,000
Home Health Care	\$60
Rehabilitative Therapies	\$10 to \$140
Acupuncture	\$50
Chiropractic	\$25
Occupational Therapy	\$15 to \$105
Physical Therapy	\$10 to \$75
Speech Therapy	\$15 to \$105
Skilled Nursing Facility	\$1,500
Durable Medical Equipment	\$0 to \$1,000
Hospice	
Home Hospice Visit	\$60
Inpatient Hospice Care	\$2,000
Advanced Tests¹	\$20 to \$1,300
Medical Infusions And Chemotherapy	\$25 to \$2,600
Therapeutic Treatments²	\$15 to \$2,100

Reminder:
\$0 Deductible

How the Surest Plan Creates Savings

Quick refresher and an example

The problem

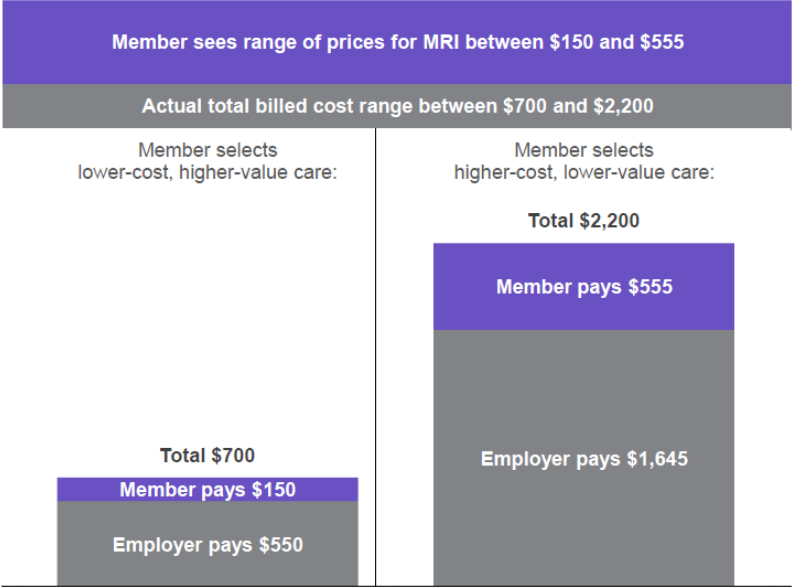
Health care costs vary by treatment, provider, and location, with prices largely unknown at the time of purchase. This lack of price certainty keeps consumers in the dark, wastes plan resources, and does nothing to stop the cost spiral for employers and employees - nor help improve outcomes.

An example: MRI

The price the member sees is only a portion of total cost. Surest has assigned prices so that when a member selects high-value care, their employer also saves.



Member saves \$405
Employer saves \$1,095



2026 Renewal

Plan Change Options

Option 1: Renewing with BCBS with no plan changes

Option 2: Moving Plan C Blue Advantage network for larger network discounts and increasing Plan C OOP Max by \$500

Option 3: Moving All Plans to Blue Advantage network for larger network discounts and increasing Plan C OOP Max by \$500

Micro Adjustment - Add Plan to capture Durant Hospital/Physicians & Stillwater Hospitals equal to \$2,000 Deductible Plan Benefits

Option 4: Move to Surest

*Note: If OKHEEI remains with BCBS, recommend renewal of Gallagher pharmacy contract for \$35,000

2026 Renewal

Renewal Indicators

	Current 2025 Budget	Option 1 2026 Budget No Changes BCBS	Option 2 Plan C Changes ONLY BCBS	Option 3 Blue Advantage All Plans BCBS	Option 4 Surest Option
Contract 24/12	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
TPA Administration	Included	Included	\$48.36	\$48.36	\$35.00
BCBS Fiduciary	Included	Included	\$1.00	\$1.00	\$0.00
Annual Services Charge/Credit	Included	Included	\$4,000.00	\$4,000.00	\$0.00
Rx Rebate	Included	Included	-\$151.14	-\$151.14	-\$124.32
Medical Rebate	Included	Included	-\$2.50	-\$2.50	\$0.00
Individual Stop Loss Premium	Included	Included	\$70.08	\$70.08	\$88.58
Family Stop Loss Premium	Included	Included	\$70.08	\$70.08	\$88.58
Aggregate Premium	Included	Included	\$1.04	\$1.04	\$3.13
TOTAL Monthly FIXED	Included	Included	-\$100,607	-\$100,607	\$7,251
Annual Fixed	-\$759,114	-\$1,203,289	-\$1,203,289	-\$1,203,289	\$87,015
Carrier Credits	\$0	\$0	-\$150,000	-\$150,000	-\$550,000
TOTAL ANNUAL FIXED	-\$759,114	-\$1,203,289	-\$1,353,289	-\$1,353,289	-\$462,985
% inc			-78.3%	-78.3%	39.0%
Total Expected Claims	\$34,658,239	\$39,644,676	\$39,163,810	\$38,297,354	\$36,537,101
Zero Card Expected Fee/Claims	Included below	Included below	Included below	Included below	Included below
TOTAL EXPECTED COST	\$33,899,125	\$38,441,387	\$37,810,520	\$36,944,065	\$36,074,117
TOTAL EXPECTED COST PEPM	\$931	\$1,056	\$1,039	\$1,015	\$991
% Inc to Budget 2025 Gallagher		13.4%	11.5%	9.0%	6.4%



**BCBS Offer of
\$150,000 transition
credit for Options 2
and 3**

Plan change to increase OOP max on Plan C & go Blue Advantage

Plan change to increase OOP max on Plan C & go Blue Advantage on All Plans

Change to current plan structure and uses a single network to impact expected cost

2025 Renewal

Plan Change Options

➤ Option 1

- Renewing with BCBS with no plan changes
- Gallagher's projection is a 13.4% increase to current budget

2025 Renewal

Plan Change Options

➤ Option 2

- Moving Plan C to Blue Advantage network for larger network discounts and increasing OOP Max by \$500
 - \$750 Blue Preferred Plan – As Is
 - \$1,250 Blue Options Plan – As Is
 - \$2,000 Blue Preferred Plan to **Blue Advantage & Increase OOP max \$500**
 - \$3,500 Blue Options Plan – As Is
- Gallagher's projection is a 11.5% increase to current budget with Plan C change

2025 Renewal

Plan Change Options

➤ Option 3

- Moving All Plans to Blue Advantage network for larger network discounts and increasing OOP Max on Plan C by \$500
 - \$750 Blue Advantage Plan
 - \$1,250 Blue Advantage Plan
 - \$2,000 Blue Advantage & Increase OOP max \$500
 - \$3,500 Blue Advantage Plan
 - Add Plan equal to \$2,000 Plan, but with Blue Options for Durant and Stillwater
- Gallagher's projection is a 9% increase to current budget with network change

2026 Renewal

Renewal Option 1 and 2 Plan Changes

Renewal Option 2: Move Plan C from Blue Preferred to Blue Advantage Network - Disruption

- DURANT HMA & DURANT PHYSICIAN MANAGEMENT, LLC – Durant, OK
- MARSHALL COUNTY HMA, LLC - Madill, OK
- TEXOMACARE - Madill, OK
- THERAWEST LLC – Clinton, OK
- NES OKLAHOMA, INC. – Ponca City, OK
- VAMC Providers

Renewal Option 3: Move All Plans from Blue Options to Blue Advantage Network - Disruption

- Above Providers
- Stillwater Hospital – Stillwater, Blackwell, Perry
- Duncan Hospital and Physicians

Under Option 3, Gallagher would recommend adding a 5th Plan equal to \$2,000 Plan benefits at a higher cost.

**Listed above are Providers with 10 or more claimants affected. Not all inclusive of excluded or negative impact. See carrier details

Note: Emergency Services will be upgraded to in-network level

This disruption analysis report is provided by the Blue Cross and Blue Shield Association (BCBSA) for informational purposes only. The report results should be considered a snapshot-in-time and used only as a guide for potential provider matching. Due to the many variables in provider network data, as supplied by Plans, matching results may be inexact and cannot be guaranteed. (i.e. Report results should not be used for other purposes, such as collating claims dollars or locating a participating provider from whom to obtain covered health care services.) Every effort is made to match providers utilizing the data elements, provided to BCBSA, through multiple match methods that step from most stringent to least stringent.

2026 Addt. Strategic Solutions

Sustainability and Proactive Plan Management

1. Prime Formulary

OKHEEI plan is on the Balanced Formulary as of 2025. Fully Insured book of business for Prime Therapeutics is on the Performance Formulary. Savings of **\$101,000**

Performance Select Formulary

Excluded Classes: Acne

H2 Antagonists

NSAs

Nasal Steroids

Other OTCs

Vision Enhancement Agents

2. Separate Rx Deductible

Gallagher evaluated adding separate deductible on Rx plan to mimic State Plan. This would erode value and add significant cost back to the member. Recommend OKHEEI does not add separate Rx deductible

3. Employee Contributions

OKHEEI allows for each college to independently set employee contributions. Employers use employee contributions to offset total plan expense. Considering the plan enrollment distribution, Gallagher recommends a strategic look into the overall design of the contribution strategy.

4. Removal of Weight Loss Drugs

Given the effectiveness of the new weight loss agents, there is more pressure for employers and health plans to cover these agents. The main driver of the increase in spend is the weight management benefit coverage. There was a 278% increase in claim volume over 2023. Removing Weight Loss Medication Coverage – Savings of **\$538,440**

Action Items

Option 1: Renewing with BCBS with no plan changes

Option 2: Moving Plan C Blue Advantage network for larger network discounts and increasing Plan C OOP Max by \$500 – 11.5% increase

Option 3: Moving All Plans to Blue Advantage network for larger network discounts and increasing Plan C OOP Max by \$500

Micro Adjustment - Add Plan to capture Durant Hospital/Physicians & Stillwater Hospitals equal to \$2,000 Deductible Plan – 9% increase

Option 4: Move to Surest – 6.4% increase

*Note: If OKHEEI remains with BCBS, recommend renewal of Gallagher pharmacy contract for \$35,000 (3-year contract)

Future Decisions

1. Contribution Strategy
2. Open Enrollment Strategy

Anticipated Timeline

Activity	Target Date
2024 Claims Review	January
Census Request Due Date	January 15 th
Expected Renewal Receipt from Incumbent Carrier	March 10 th
Renewal Presentation	May 20 th
Renewal Decisions Due	May 31 st
Annual Open Enrollment	Sept/October
OE Elections Due to Carriers	November 15 th
Renewal Effective Date	January 1, 2026

OKHEEI Renewal requires a lock in of rates in May of each year. This limits the market but has served as an advantage to history of large claims occurring in late Q2-Q4.

Disclaimers

- The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It should not be construed as, nor is it intended to provide legal advice. Laws may be complex and subject to change. This information is based on current interpretation of the law and is not guaranteed. Questions regarding specific issues should be addressed by legal counsel who specializes in this practice area.
- This analysis is for illustrative purposes and is not a guarantee of future expenses, claims, costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information for further details in this regard.
- Gallagher Benefit Services, Inc., has provided this timeline as a resource to help identify and clarify submission requirements and dates for this project. Although the timeline was created to be as comprehensive as possible, it should not be assumed that the information is all-inclusive and error-free, nor is the sequence of events outlined in exact chronological order. All information is provided for informational and educational purposes only and is not intended to provide legal, investment, tax or accounting advice and should not be relied upon in that regard. Your financial and tax situation may be unique and therefore you should independently consult your attorney and accountant regarding any legal and tax implications.

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services." Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.



Gallagher

Insurance | Risk Management | Consulting