OKHEEI 2026 April Board Meeting

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April 1, 2026

Gallagher

Insurance | Risk Management | Consulting

Agenda

- Renewal & Gallagher Support Recap
- March Board Meeting Follow Up
- Plan Performance Reporting
- 2027 Planning

2026 Support Recap

- ❑ Stop Loss Audit for maximization of stop loss reimbursements
- ❑ Escalated Claims Issues
- ❑ Annual Rebate Reconciliation with BCBS
  - 2025 – Computed in April and have the credits applied in May
  - 2024 - $919,664 savings
  - 2023 - $681,198 savings
- ❑ Weight Loss Therapy Pharmacy Review
- ❑ AJG Medicare Consultant Meetings - Southwestern
- ❑ FMLA Administration Guidance
- ❑ Train the Trainer – In Person July
- ❑ Monthly Benefit Coordinator Meetings
- ❑ LTC Implementation Complete
- ❑ Empyrean Contract is set to renew 6/1/2027. Term requirement is 180 days. Gallagher is in negotiation with Empyrean to reduce fees. Expected renewal receipt is 4/15. Board approval will be needed to intend to renew or go to market for Empyrean services.

March Board Meeting Follow Up

Meeting Follow Up
and other news…

Preventive Care Utilization
- Mobile screening services – Demo?

Out Of State Employees reminder
- Active subscribers: 181
- Retirees, Retiree Spouse, and Surviving Spouse: 172

Pre-65 Retiree
- Funding model coming for renewal – Retirees ran $532.72 PEPM over budget.
- How many HCC are pre-65? 5 & all subscribers
    - $1.22 Million in paid claims

Other News
- Monthly Funding Payment Discussion – Brenda
- Terminating of employee's discussion – Terminations MUST be done timely to ensure claims are not paid on individuals that are not eligible and to be in compliance with Cobra.
    - Cobra Law requires employees be provided Cobra paperwork within 14 days of term.
    - Chris Tyler advised terms are not being sent to Empyrean timely. Brenda will begin to monitor

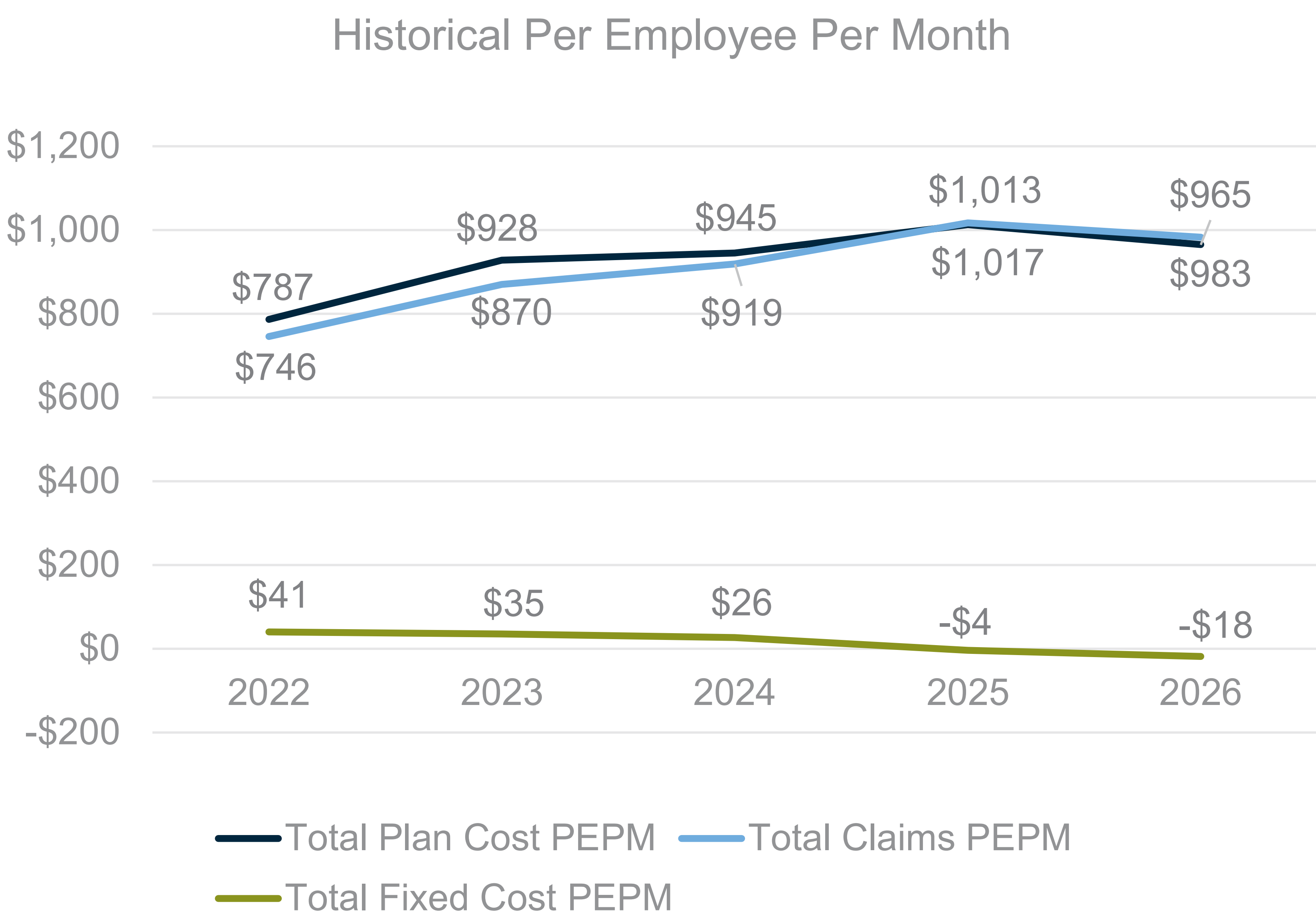
Plan Performance Reporting

Historical Plan Cost Summary

Total Medical/Rx Claims

Month	2024	2025	2026
January	$2,651,862	$3,058,313	$3,106,080
February	$2,210,487	$2,648,866	$2,834,342
March	$3,108,191	$2,114,719	
April	$1,658,869	$2,796,411	
May	$2,191,666	$3,258,514	
June	$2,405,874	$3,056,060	
July	$3,211,351	$3,248,965	
August	$3,006,994	$3,455,324	
September	$2,784,221	$3,024,515	
October	$3,169,249	$3,391,030	
November	$3,273,793	$3,365,152	
December	$3,404,993	$3,159,101	
Net Claims	**$33,077,549**	**$36,576,970**	**$5,940,422**
Average Monthly Enrollment	**3001**	**2997**	**3023**
Net Claims PEPM	**$918.67**	**$1,017.19**	**$982.54**
% Increase/Decrease from Prior	**5.55%**	**10.72%**	**-3.41%**
Admin Fees	**-$1,621,350**	**-$3,063,347**	**-$630,477**
Consulting Fees	**$144,000**	**$144,000**	**$24,000**
Stop Loss Fees	**$2,072,145**	**$2,309,647**	**$429,992**
Total Fixed Costs	**$594,795**	**-$609,701**	**-$176,485**
Total Fixed Costs PEPM	**$16.52**	**-$16.96**	**-$29.19**

Historical Analysis



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2026 Plan Cost Summary

Gallagher

Paid Month	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Year-to-Date Total	Year-to-Date PEPM
Enrollment														
Subscribers	3,011	3,035											6,046	
Members	4,122	4,158											8,280	
Contract Size	1.37	1.37											1.37	
Claim Payments														
Medical Claims	$1,535,224	$1,388,947											$2,924,171	$483.65
Pharmacy Claims	$1,368,325	$1,170,872											$2,539,197	$419.98
Rx Rebates	$0	$0											$0	$0.00
Access Fees	$1,575	$96											$1,671	$0.28
Claims Over Specific	$0	$0											$0	$0.00
Total Claim Payments	**$2,905,124**	**$2,559,915**											**$5,465,039**	**$903.91**
Total Claim Payments PEPM	$964.84	$843.46												
ZERO Card														
Claims	$200,956	$274,428											$475,384	$78.63
Fee	$30,143	$41,164											$71,307	$11.79
Total ZERO Card Cost	**$231,099**	**$315,592**											**$546,691**	**$90.42**
Fixed Costs														
Administrative Fees	($313,987)	($316,490)											($630,477)	($104.28)
Consulting Fee	$12,000	$12,000											$24,000	$3.97
Stop Loss Premiums	$214,142	$215,849											$429,992	$71.12
Total Fixed Costs	**($87,845)**	**($88,641)**											**($176,485)**	**($29.19)**
Total Plan Cost	**$3,048,379**	**$2,786,866**											**$5,835,245**	**$965.14**
Employee Contributions [1]	$408,559	$412,341											$820,900	$135.78
Employer Cost	**$2,639,820**	**$2,374,525**											**$5,014,345**	**$829.37**
Budget Comparison														
Budgeted Cost [1]	$2,986,245	$3,009,262											$5,995,506	$991.65
Actual Cost	$3,048,379	$2,786,866											$5,835,245	$965.14
Surplus/(Deficit)	**($62,134)**	**$222,396**											**$160,262**	**$26.51**

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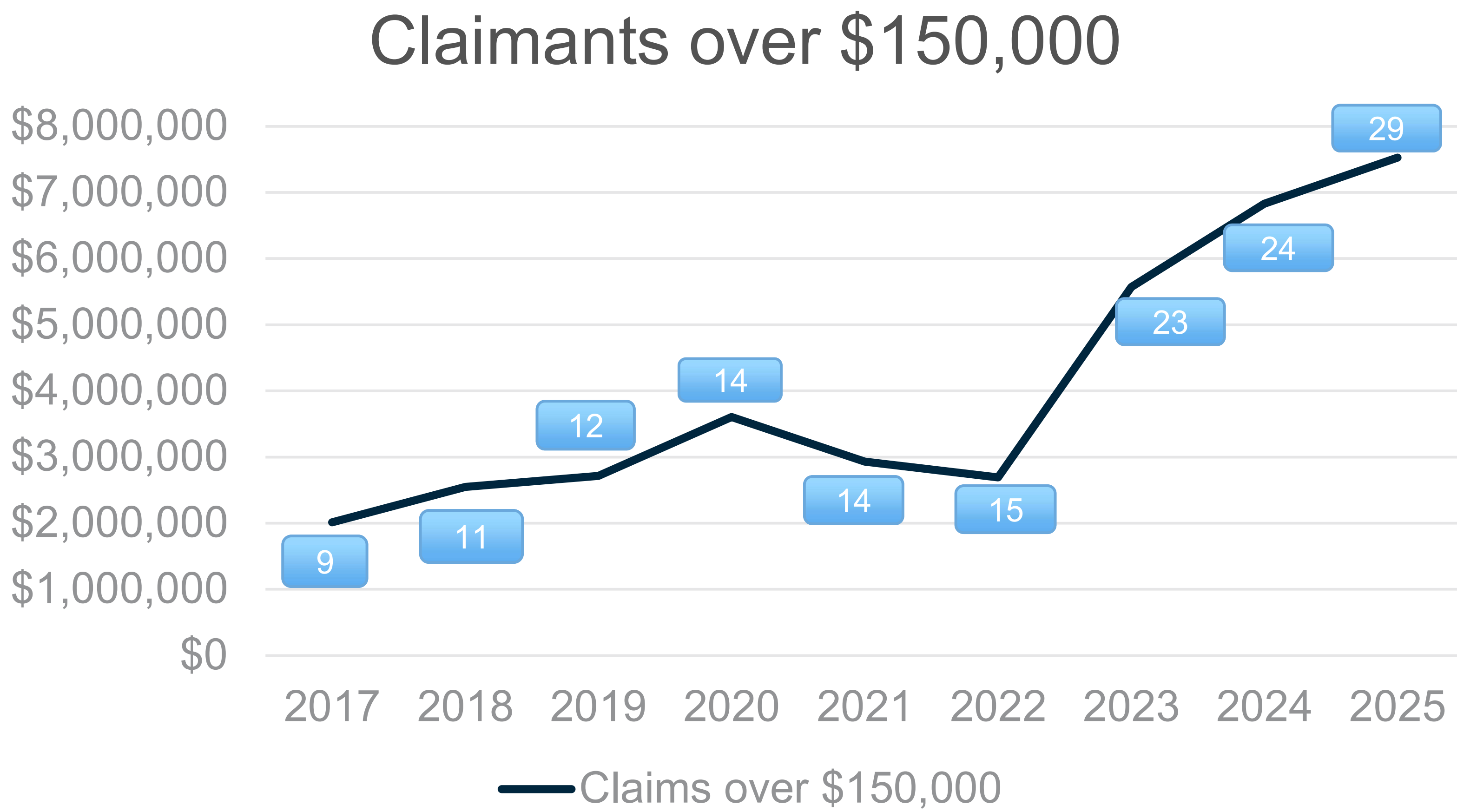
Year over Year Large Claim Trend

2017 – 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 $6,829,824 in paid claims
2025 – Above members represent $7,527,347 in paid claims
2026 – None as of February, but 1 so far in March

2027 Renewal

Trump Rx

New News….

trumprx.gov

What strength? **(mg/mL)**

0.25/0.5 | **0.5/0.5** | 1/0.5 | 1.7/0.75 | 2.4/0.75

How many times have you taken Wegovy® Pen?

0-1 | **2+**

Original Price ⓘ	$1,349.02
Savings	−$1,000.02
Trump Rx Price	$349.00

Limited Time Offer – New patients pay $199* for the first two monthly fills of Wegovy® (semaglutide) injection 0.25mg and 0.5mg, then $349/month. Only available for 2 monthly fills between 11/17/2025-3/31/2026. For future fills and for other Wegovy® dose strengths, pay $349/month.

See full terms and conditions

How it Works

Present the coupon at your pharmacy to claim your TrumpRx savings.

Accept these terms to get your coupon

By continuing, you confirm that you are a resident of the United States or a United States Territory (Puerto Rico, Guam, U.S. Virgin Island, Northern Mariana Islands, American Samoa) who is 18 years of age or older.

You confirm that you are NOT enrolled in insurance from any government, state, or federally funded medical or prescription benefit programs (Examples include Medicare, Medigap, VA, DOD, TRICARE, Medicaid, or any other state or federal medical/pharmaceutical benefit or assistance). Individuals with both commercial and government funded plans ARE considered a patient with government insurance. If you should begin to receive prescription benefits under any government insurance plan, you understand that you can no longer participate in this program.

Further, you agree that by redeeming this coupon, you (and anyone else acting on your behalf) agree not to seek reimbursement from any insurance plan for out-of-pocket costs for prescriptions purchased with this coupon. You also agree not to count the cost of prescriptions toward your deductible or true out-of-pocket costs.

"The site is not selling drugs directly to American patients but will act as a central hub that points them to drugmakers that are offering discounts on certain products on their own direct-to-consumer sites."

Could serve as a potential cash-pay option, provided the member’s pharmacy accepts the coupon.

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Direct-to-Consumer Prescription Drug Purchasing Programs

Programs in the Market: Trump Rx, Amazon Pharmacy, and Mark Cuban's Cost-Plus Drugs

Opportunities:

Any employer-sponsored benefit that allows participants to access DTC programs will be considered employer-provided medical care. In general, there are two primary paths to accessing DTC programs – through integration with an EAP, telemedicine program, wellness benefit, or general-purpose health reimbursement arrangements (HRAs) or without integration with excepted benefit HRAs or EHBRAs.

Integration Rules:

1. Any employer-sponsored benefit that pays for or reimburses the cost of prescription drugs purchased through DTC programs (whether through an EAP, telemedicine, HRA, or wellness program) is providing medical care and is treated as a group health plan. Because of the limited nature of the benefit, these programs most likely cannot be offered on a standalone basis because the benefits are not designed to comply with the various federal mandates employers are required to comply with in conjunction with their group health benefits (e.g., the Patient Protection and Affordable Care Act (ACA)). Thus, any benefit paying or reimbursing costs from a DTC program should be limited to medical plan enrollees.

2. Current rules allow employers to integrate a general purpose HRA with their own health plan or with another group health plan (e.g., the spouse's health plan). Thus, as long as an individual purports to be enrolled in an employer-sponsored group health plan, the general purpose HRA can provide reimbursements for that individual's medical expenses.

3. Plan sponsors of high-deductible health plans (HDHP) that are coupled with HSAs must meet minimum deductible and maximum out-of-pocket standards.

4. Carving out GLP-1's may substantially affect PBM rebates, and rebate contract terms

Potential Work-Around for Non-Med Enrolled Participants:

EBHRAs are currently the only benefit that can reimburse the cost of medical care, including prescription drugs, to individuals not enrolled in a group health plan. EBHRA enrollees must be eligible for the employer's major medical plan but are not required to enroll. Employers are limited to $2,200 in EBHRA reimbursements per employee in 2026 (indexed). HRA Limits Apply, $2,200 in 2026

**EHBRAs mimic general purpose HRAs in terms of 1) the benefit must be available to all similarly situated employees on the same terms and conditions, and 2) the EBHRA can reimburse any medical expense (as defined under IRC 213(d)), and 3) reimbursements are subject to substantiation requirements.

Top Non-Specialty Drugs by Plan Paid

2025

Plan Therapeutic Class	Prescriptions	Utilizing Members	Ingredient Cost	Avg. Ingredient Cost/ Prescription (Current)
Anti-Obesity Agents	2,016	287	$2,223,686	$1,103.02
Incretin Mimetic Agents	1,920	261	$1,906,651	$993.05
Calcitonin Gene-Related Peptide (CGRP) Receptor Antag	571	84	$615,504	$1,077.94
Sodium-Glucose Co-Transporter 2 (SGLT2) Inhibitors	783	95	$446,421	$570.14
Direct Factor Xa Inhibitors	482	66	$271,704	$563.70
Sympathomimetics	1,395	464	$269,726	$193.35
Antipsychotics - Misc.	208	33	$195,731	$941.01
Insulin	327	39	$144,930	$443.21
Digestive Enzymes	19	2	$138,501	$7,289.55
Viral Vaccines	1,009	612	$105,960	$105.02
All Other	63,086	3,545	$2,745,786	$43.52
Summary	**71,816**	**3,645**	**$9,064,601**	**$126.22**

2024

Plan Therapeutic Class	Prescriptions	Utilizing Members	Ingredient Cost	Avg. Ingredient Cost/ Prescription (Current)
Incretin Mimetic Agents	1,731	223	$1,662,365	$960.35
Anti-Obesity Agents	905	158	$995,250	$1,099.72
Calcitonin Gene-Related Peptide (CGRP) Receptor Antag	420	70	$441,183	$1,050.44
Sodium-Glucose Co-Transporter 2 (SGLT2) Inhibitors	756	98	$422,135	$558.38
Direct Factor Xa Inhibitors	475	69	$261,703	$550.95
Sympathomimetics	1,369	465	$249,013	$181.89
Antipsychotics - Misc.	159	24	$145,742	$916.62
Insulin	372	49	$140,763	$378.40
Amphetamines	1,083	167	$133,394	$123.17
Digestive Enzymes	27	4	$114,671	$4,247.08
All Other	63,958	3,669	$2,581,621	$40.36
Summary	**71,255**	**3,711**	**$7,147,841**	**$100.31**

- Anti-Obesity Rx has increase from 905 to 2,016 prescriptions
- Cost to the Plan has been $1,228,436 which accounts for 41% of the budget deficit

Considerations

- ❑ Anti-Obesity Rx has increase from 905 to 2,016 prescriptions. Cost to the Plan has been $1,228,436 which accounts for 41% of the budget deficit. Budget will need to increase this year to account for GLP-1 Anti-Obesity Coverage.
  - ❑ Gallagher is reviewing options within the Rx formulary to reduce cost to the Plan
    - ❑ GLP-1's are highly rebated drugs
    - ❑ BCBS has confirmed that the monthly rebate credit will drop substantially if Plan was to remove GLP-1 coverage. *May not be a 1:1 win on net cost under Prime
- ❑ HRPro FSA/HSA Administration Consideration
- ❑ Go To Doctor Campaign – 1,464 of 4,172 had a face-to-face preventive visit in 2025
- ❑ Biometric Wellness Screenings

2027 Medical Renewal Status

Line of Coverage	Carrier/ Vendor	Current Premium	Renewal Premium	% increase/decrease
Medical Admin	BCBS	$48.36	$49.81	3.0%
Prescription Drug Rebate Credit	BCBS	($151.14)	($178.24)	-17.9%
Medical Rebate Credit	BCBS	($2.50)	($2.50)	0%
BCBS Fiduciary	BCBS	$1.00	$1.00	0%
Individual Stop Loss $300,000 Deductible	BCBS	$70.08	TBD	
Aggregate Stop Loss 125% Attachment Factor	BCBS	$1.04	TBD	
Additional Services Annual Charge	BCBS	$4,000	$2,000	-50%
Total		($33.05)		

Notes: Marketing across 18 TPA's/Stop Loss Carriers for savings opportunities

Above assumes no changes in benefit designs or benefit providers

2027 Ancillary Renewal Status

Line of Coverage	Carrier/ Vendor	EE/ER Paid	Status	Recommendation
Dental	Delta Dental	EE/ER	Rate Pass through 1/1/2028	Renew with Delta Dental
Vision	VSP	EE/ER	Rate Pass through 1/1/2028	Renew with VSP
Basic Life and AD&D	Standard	ER	Up for Renewal 1/1/2027	Out to Market
Voluntary Life and AD&D	Standard	EE	Up for Renewal 1/1/2027	Out to Market
Short Term Disability	Standard	EE/ER	Up for Renewal 1/1/2027	Out to Market
Long Term Disability	Standard	EE/ER	Up for Renewal 1/1/2027	Out to Market
Critical Illness	VOYA	EE	Rate Pass	Out to Market
Hospital Indemnity	VOYA	EE	Rate Pass	Out to Market
Accident	VOYA	EE	Rate Pass	Out to Market

Notes: Marketing Life/DI along with Worksite will maximize bundled savings opportunities
- 3 Declines so far, including American Fidelity

- **Integration with Empyrean is Required of all Finalists**
- **Ability to provide Benefit Coordinators access for EOI and claims is Required of all Finalists**
- **Continued tax services for W-2 Reporting and FICA tax payment on LTD is Required of all Finalists**

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Renewal Timeline – OKHEEI

Activity	Target Date
Pre-Renewal Strategy Meetings	January & February
Census Request Due Date	February 1st
Expected Renewal Receipt from Incumbent Carrier	March 20th
Initial Renewal Indications	April Board Meeting
Renewal Presentation	May Board Meeting
Renewal Decisions/College Contributions Due	July 1st
Annual Open Enrollment (Allows for 2-week OE and Thanksgiving)	October 12th - 23rd
OE Elections Due to Carriers	November 15th
Renewal Effective Date	January 1, 2027

Renewal Timeline above is set to ensure the best experience for employers and employees. Timeline may adjust due to benefit administration system requirements, holidays, or to allow for a transition to new carriers.

General Disclaimers

Coverage Disclaimer

This proposal is an outline of the coverages proposed by the carrier(s) based upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This proposal is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.

Renewal / Financial Disclaimer

This analysis is for illustrative purposes only, and is not a proposal for coverage or 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. See your policy or contact us for specific information or further details in this regard.

Legal

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.

Thank you!

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