



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

**BOARD MEETING DATE:** *September 9, 2025*

**DATE:** Thursday, September 04, 2025

**TO:** Board of County Commissioners

**FROM:** Ashley Berrington, Human Resources Manager, Human Resources  
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**THROUGH:** Patricia Hurley, Director of Human Resources  
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**SUBJECT:** Recommendation to approve the Calendar Year (CY) 2026 Health Benefits Program for employees, retirees, and their dependents at an approximate annual cost of \$84.0 million and authorize the Director of Human Resources to execute all insurance contracts and service agreements pertinent to the Health Benefits Program. (All Commission Districts.)

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### SUMMARY

Staff requests approval of the Health Benefits Program for the 2026 calendar year, including benefit changes to the County's medical, dental, vision, and life insurance plans, as recommended by the Insurance Negotiations Committee (INC).

**Washoe County Strategic Objective supported by this item:** Fiscal Sustainability

### PREVIOUS ACTION

*August 27, 2024:* Board approved the CY 2025 Health Benefits Program at an approximate annual cost of \$79.4 million and authorized the Director of Human Resources to execute all related contracts and agreements.

*September 12, 2023:* Board approved the CY 2024 Health Benefits Program at an approximate annual cost of \$72.4 million with the same authorization.

*September 13, 2022:* Board approved the CY 2023 Health Benefits Program at an approximate annual cost of \$60.9 million with the same authorization.

### BACKGROUND

The Health Benefits Program includes three types of medical plans:

1. **Self-Funded Group Health Plan (PPO)**
2. **Fully Insured Variable Co-pay PPO Plan (Surest)** paired with a GAP plan

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3. **Self-Funded High Deductible Health Plan (HDHP)** paired with either a Health Savings Account (HSA) for active employees or a Health Reimbursement Arrangement (HRA) for retirees.

Current active employee enrollment: PPO (12%), Surest (17%), HDHP (71%).

The Program also offers self-funded dental, vision, and life insurance for all enrollees and their dependents.

The Insurance Negotiating Committee (INC), comprised of representatives from each of the eleven (11) employee bargaining units and one (1) representative from the management/confidential/non-represented groups of employees meets annually to review benefit design options for the medical, dental, vision, and life insurance plans in an effort to control costs while continuing to provide a valuable benefit to employees.

Provided below is a summary of the INC recommended plan benefit design changes and staff proposed premiums impacting each plan for the 2026 Plan Year:

## **2026 PLAN YEAR CHANGES & RECOMMENDATIONS**

### **Self-Funded Group Health Plan (PPO)**

- **Benefit Changes:** None recommended by INC
- **Premium Change:** Average increase of 10.26% for all tiers of active employee coverage, primarily due to claims funding requirements provided by Healthcare Actuaries.
- **Legislative Updates:**
  - Coverage for speech-language pathology treatment for stuttering for members under age 26 (AB169).
  - Coverage for fertility preservation services for patients diagnosed with breast or ovarian cancer when treatment may cause infertility (AB428).

### **Self-Funded High-Deductible Health Plan (HDHP)**

- **Benefit Design Enhancements:**
  - \$35 co-pay (before deductible) for a 30-day supply of insulin.
  - \$0 co-pay (before deductible) for all Teladoc visits (general and mental health).
- **Premium Change:** Average increase of 8.68% for all tiers of active employee coverage, primarily due to claims funding requirements provided by Healthcare Actuaries.
- **IRS Adjustments for 2026:**
  - Family deductible increases to \$3,400 (+\$100).
  - HSA contribution limits increase to \$4,400 (+\$100) for individual coverage and \$8,750 (+\$200) for family coverage.
- **Legislative Updates:** Same as PPO above (AB169 and AB428).

**Fully-Insured Variable Co-pay Plan (Surest)**

- **Procurement:** Continued with United Healthcare (Surest) without competitive bidding under NRS 332.115 (insurance exemption).
- **Premium Change:** UnitedHealthcare submitted a renewal proposal for the County's medical and prescription drug coverage under the Surest Plan. The proposal includes an 8.9% increase in premiums over the current plan year. In addition to the premium adjustment, UnitedHealthcare has outlined several benefit design changes, recommended by the Insurance Negotiation Committee (INC) and listed below. When factoring in related plan costs (internal costs, ACA fees, GAP premiums, etc.), the proposal results in an average increase of 8.33% across all tiers.
- **Benefit Design Changes:**
  - Primary Care Co-pay:
    - Increase from \$10-\$65 to \$20-\$105 (In-Network); \$195 to \$215 (Out-of-Network)
    - Specialist Co-pay: Increase from \$10-\$65 to \$20-\$105 (In-Network); \$195 to \$215 (Out-of-Network)
    - Annual Out-of-Pocket Maximum:
      - Individual: Increase from \$4,000 to \$5,000 (In-Network); \$8,000 to \$10,000 (Out-of-Network)
      - Family: Increase from \$8,000 to \$10,000 (In-Network); \$16,000 to \$20,000 (Out-of-Network)
    - Emergency Room Co-pay: Increase from \$350 to \$600 (In-Network and Out-of-Network)
    - Urgent Care Center Co-Pay: Increase from \$35 to \$60 (In-Network); \$105 to \$180 (Out-of-Network)
    - MRI, PET, CT Scans: Increase from \$60-\$450 to \$125-\$850 (In-Network); up to \$1,350 to up to \$1,650 (Out-of-Network)
    - Ambulance – Ground Transportation Co-pay: Increase from \$160 to \$350 (In-Network and Out-of-Network)
    - Outpatient Surgery Co-pay: Increase from \$15-\$2,500 to \$35-\$3,000 (In-Network); up to \$7,000 to up to \$9,000 (Out-of-Network)
    - Inpatient Hospitalization Co-pay: Increase from \$150-\$2,500 to \$200-\$3,000 (In-Network); up to \$7,000 to up to \$9,000 (Out-of-Network)
    - Preferred Brand Medications 30-day supply: Increase from \$35 to \$60
    - Non-Preferred Brand Medications 30-day supply: Increase from \$70 to \$90
    - Specialty Medications:
      - Increase Tier 2 medications from \$100 to \$150
      - Increase Tier 3 medications from \$200 to \$300
- **GAP Plan:** Will continue alongside Surest in 2026.

### **Open Enrollment and Education**

Educating employees, retirees, and their dependents about their benefit options—and assisting them in making informed decisions—is a priority for Washoe County Human Resources' Health Benefits staff. This commitment extends well beyond the annual Open Enrollment period; it is a year-round effort to ensure that all participants have the tools, information, and personal assistance they need to navigate their benefits with confidence.

During the CY 2025 Open Enrollment period, staff hosted six (6) in-person and virtual educational meetings for employees, retirees, dependents, and outside agencies participating in the County Health Benefits Program. These sessions provided detailed plan comparisons, outlined upcoming benefit changes, and offered guidance on cost considerations and coverage selection.

For CY 2026 Open Enrollment period (October 27 – November 21, 2025), Health Benefits staff will continue to provide:

- **In-Person and Virtual Sessions** to accommodate varying schedules and learning preferences.
- **Recorded Educational Presentations** posted to the County's internal website for on-demand access at any time during the year.
- **Individual Consultations**—available in person, via Microsoft Teams, by telephone, or email—where employees and retirees can receive personalized guidance based on their unique situations.
- **Clear, Accessible Educational Materials** including plan summaries, comparison charts, and FAQs to support decision-making.

Throughout the year, Health Benefits staff remain available to answer questions, resolve issues, and provide guidance on benefits utilization, claims processes, and preventive care opportunities. By maintaining ongoing communication and accessibility, the County ensures that employees, retirees, and dependents feel supported, informed, and confident in managing their health benefits.

### **FISCAL IMPACT**

Funding for January–June 2026 is included in the FY 2025/26 budget in Internal Service Fund 618 (Health Benefits Fund). Costs for July–December 2026 will be included in the FY 2026/27 budget.

No additional expenses beyond projections are expected for CY 2026. The actuary considered fund balance, current budget, and future projections in setting claims funding rates. The overall annual premium increase across all plans is approximately 8.2% (about \$3.5 million) for Washoe County, employees, and participating employers.

### **RECOMMENDATION**

Approve the CY 2026 Health Benefits Program at an approximate annual cost of \$84.0 million and authorize the Director of Human Resources to execute all related insurance contracts and service agreements.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be:

"Move to approve the CY 2026 Health Benefits Program for employees, retirees, and their dependents at an approximate annual cost of \$84.0 million and authorize the Director of Human Resources to execute all insurance contracts and service agreements pertinent to the Health Benefits Program."