

USGRC Meeting 10-10-25 University of Georgia, Georgia Center for Continuing Education

Institutions represented: VR = voting representative, ALT = alternate

Abraham Baldwin Agricultural College – no representative present
Albany State University – Brenda-Hodges Tiller, VR
Atlanta Metropolitan State College – Anne Bennett, VR
Augusta University – no representative present
Clayton State University- Benita Moore , VR; Martha Wicker, USGRC Communications Chair
College of Coastal Georgia – Andrea Wallace, VR; Rebecca Farrow, ALT; Michael Hazelcorn (past USGRC chair); Beverly Rowe (Wellbeing representative)
Columbus State University – Dutchie Rigsby, VR
Dalton State College – Margaret Venable, VR
East Georgia State College – no representative present
Fort Valley State University – Gwendolyn Reeves, VR
Georgia College & State University – Cindy Bowen, VR
Georgia Gwinnett College – Roger Ozaki, VR
Georgia Highlands College – no representative present
Georgia Institute of Technology – Joe Blount, VR; Ed Rondeau (former USGRC chair)
Georgia Southern University - no representative present
Georgia Southwestern State University – no representative present
Georgia State University – Kavita Pandit, VR; Ted Wadley (Secretary, USGRC); Harry Dangel (former USGRC chair)
Gordon State College – Rhonda Toon- VR
Kennesaw State University – Dorothy Zinsmeister, VR (and past Chair, USGRC)
Middle Georgia State University – Robert Kelly, VR
Savannah State University - no representative present
South Georgia State College – no representative present
University of Georgia – Holley Schramski, VR; Tom Jackson (current Chair, USGRC), Nancy McDuff (Past Chair, USGRC).
University of North Georgia – no representative present
University of West Georgia – Micheal Crafton (VR); Anne Richards (ALT); Meg Cooper, Chair Elect, USGRC
Valdosta State University – Beverly Richardson-Blake, VR

University System of Georgia

Karin Elliott Vice Chancellor for Human Resources
Juanita Hicks, Vice President and Chief Human Resources Officer, UGA
Gail Imoukhuede, Director of Benefits
Paul Jones, President, Fort Valley State University' Chair, Total Rewards Steering Com.
Jere W. Morehead, President, UGA
Joe Strong, Associate Vice Chancellor, Total Rewards

Alight Retiree Health Solutions

Mat Burkley, Client Manager, Retiree health Solutions

Steve Cox, Director, Client Engagement Leader

Liz Kochneff, Senior Directory & Actuary, Retiree Exchange

1. Chair Tom Jackson called the meeting to order at 9:00 am.
2. Secretary Ted Wadley called the roll of institutions represented at the meeting.
3. Tom Jackson introduced Jere W. Morehead, President of University of Georgia, expressing appreciation for the impact he has had on UGA, the USG, and the Athens community and expressed thanks as well to Juanita Hicks, currently VP and Chief Human Resources Officer, UGA (and former USG VP of Human Resources) – for addressing the needs of retirees at UGA.
4. President Morehead welcomed the USGRC to the UGA campus and said he was present at the meeting to emphasize how important the work of the USGRC was. If the USG is able to continue to attract capable faculty and staff, these employees have to be confident they will be valued and supported as they retire. As a result, he said he sees the advocacy work of the USGRC as critical to the continued success of USG institutions.

More and more people are thinking about what happens when they conclude their activities at a given institution and hoping the institutions where they are employed will continue to support and value their work. He also expressed the view that it was a great thing that retirees could be hired back to do teaching or administrative work, giving them additional opportunities to contribute to institutions after their retirement. He thanked the USGRC for providing the leadership it did, asking the tough questions, and for continuing to keep the USG vital and strong.

He then introduced the President of Fort Valley State University (Dr. Paul Jones), who serves as the current chair of the USG Total Rewards Steering Committee, as an exceptional public speaker and leader. He praised him for his leadership at Fort Valley, in extending course offerings, and achieving the highest enrollment and the highest ranking among HBCU's. He also expressed appreciation for his extraordinary leadership and his determination, thoughtfulness, and deliberation regarding suggestions to improve the USG.
5. Dr. Paul Jones, President of Fort Valley State University and Chair of the Total Rewards Steering Committee of the USG, said it was a pleasure to be with the group, and spoke of his sincere gratitude to each of those present for the role they played in supporting the USG community and the lasting impact of their collaborative work. He said he looked forward to becoming a retiree in the future.

He has been Chair of the Total Rewards Steering Committee since 2022 (and part of the USG for 23 years). Although he has spent 40 years in higher education, he said the most meaningful part of his work has been in his career as President of Fort Valley State University. He was formerly Senior VP for Business and Finance at Georgia College.

He noted that as one ascends the administrative hierarchy, one has the opportunity to engage in ways one hadn't earlier in a career. These additional roles have given him insight into the business of institutions, employee relations, and how the USG is a people-centered organization. He said he sees the people in the USG as our "greatest asset" and continues to work toward their remaining competitive and sustaining the well-being of our workforce.

He said the work of the TRSC is to engage in a collaborative review process that involves data, equity and fiscal responsibilities. It includes "strategic leaders" who meet throughout the year. He finds the talent and expertise in the rooms where they meet impressive and said he typically leaves meetings with more questions than answers, but has been excited to be a part of this community of scholars. He described the work of the TRSC as "one of the most challenging types of work I do," as it is focusing on ensuring we remain a robust system and relate effectively to our peers.

He acknowledged that the TRSC has faced challenges given the rising costs of medical procedures and drugs and the complexity of healthcare providers. Most of the resources that sustain campuses in the USG come from students and taxpayers. The work of the TRSC is always a "balancing act" – involving a review of State Health Benefit Plans and USG plans. The latter have been found to have broader choices and higher contributions to health benefits than its State Health Benefits counterparts.

Despite the challenges of this work, the committee reviews benchmarks, benefits offerings, long term sustainability and continues to evaluate the value of dollars provided to retirees and current employees. The evaluation by the TRSC regarding the current year, has led to a reduction in the HRA benefit because of increased premiums imposed on the currently employed. Together, he said, the TRSC attempts to face the challenges before them mindfully and ethically.

He echoed President Morehead's remarks that the USGRC is a vital part of the System, and if not taken lightly by members of the TRSC. He expressed appreciation to Joe Strong for all he does on behalf of the USG and said he looked forward to continuing work on the TRSC on behalf of retirees.

6. Report of the Alight USG Leadership Team see [Appendix A]
 - a. Steve Cox noted that this was the first time he and Matt had been joining the group in person since COVID hit. He focused initially on The Customer Value Initiative (CVI) which has been ongoing for a number of years. Its focus/goal is maximizing customer value by educating retirees on the value of reviewing their healthcare coverage annually. This can help retirees determine if their coverage still fits their needs or if a new plan will be a better fit for their current healthcare

needs and budget. The initiative also offers support from Licensed Benefits Advisors.

With regard to Program Parameters and Results, he mentioned the initiative to get carriers to offer a guaranteed issue (meaning no underwriting necessary) focused on individuals who might want to change from Plan F to Plan G. Letters were sent out offering the potential to save money for persons aged 65-79 (because typically after age 79 persons don't wish to make a change in their coverage). Alight is governed by CMH guidelines which preclude their steering individuals to one carrier. Over 7600 persons were sent letters to confirm appointments to possibly look at other plans that would enable retirees to benefit from lower cost. 1300 persons confirmed appointments, but only 270 enrolled in the guaranteed issue plan move from Plan F to Plan G.

Martha Wicker explained that retirees had many questions about what was being offered. Several retirees at Clayton State received the letter Steve referred to, but it wasn't clear that they would be exempt from underwriting. As a result, she got a lot of emails from retirees about this.

Steve explained that ALIGHT is held to certain guidelines regarding the amount of information they can share with retirees in writing. And they cannot guarantee there will be cost savings. The opportunity to take advantage of this change ran out at the end of September. ALIGHT is in the process of re-evaluating with the carrier to see if such an offer can be made again.

Martha Wicker noted that several retirees feel stuck in Plan F and would have welcomed the opportunity to make a shift if they had known it came without medical underwriting.

Benita Morgan reported that she and her husband did respond to this letter, and on the call with ALIGHT felt ALIGHT was pushing a particular carrier. They also had the feeling that there was a lot the Benefits Advisor could not tell them. As a result, they felt a change was being pushed on them, that they were subjected to a "sales job." The person they spoke to referred to ALIGHT as a "broker." They didn't understand the meaning of the term and thought someone was simply pushing a product and that their call was a "waste of time."

Steve Cox said they would like to go back to listen to that call. They thought what was proposed was a better option for some individuals and perhaps there was a need to educate the Benefits Advisors differently than they had.

Meg Cooper said she also got the letter. She reported that she thought the concern to many was a follow-up email to those who did not make, or confirm an appointment. It said this group coverage was ending and people needed to get individual coverage. This led to major conspiracy theories among a number of retirees. They thought ALIGHT was threatening people's USG benefits. Three weeks afterwards, an apology letter was sent, indicating ALIGHT had made a mistake. ALIGHT said they were sorry for the phone calls. That was appreciated, but it took a while to resolve the matter. During the several weeks when no clarification occurred, many thought it was a scam at first, then subsequently thought someone was threatening their coverage via email.

Steve Cox apologized for the error caused to a couple hundred people. A letter of apology was drafted and sent to them.

Mat Burkley said the letter sent out was specific to a scenario where persons had not confirmed an appointment. It was intended to assure them.

Dorothy Zinsmeister: I assume those 271 new enrollments now know who they signed up with.

- b. Mat Burkley discussed Annual Enrollment and the 2026 Strategic Planning Program Sequencing – see Appendix A, p. 7. ALIGHT plans for enrollment starting in January every year. They conduct a debriefing of the previous year and include conversations with carriers -where enrollment took place, who left plans, etc. In May, they hire up for the Fall, working closely with carriers at the beginning of October on plan changes that will take place as the year goes on. Some carriers are terminating their plans going into 2026. ALIGHT develops the notice to be sent out if persons are impacted by terminations. Mat said he believes they are well-prepared for the Fall. Benefits advisors have received 100 hours of training and acquired Medicare-specific and carrier certifications.

With regard to annual enrollment readiness, ALIGHT uses a “podded” approach that is specific to the USG. Two new carriers (Devoted Health and Alignment Health) have been added to the ALIGHT platform, which is considered a positive component. Because ALIGHT partners with carriers to offer more options to retirees as time goes on, representatives from ALIGHT encourage retirees to evaluate their options annually.

- c. Liz Kochneff provided a Market Update report (part of Appendix A, pp. 10-12). She was formerly (for 6 years) a Math Professor and an actuary for 27 years. She announced that she would soon be joining the world of retirement herself.

She noted that the 11% increase in costs cited was due to increased utilization of medical services. People are returning to their doctors after not going to them during the COVID years. This has increased overall costs.

Liz also reviewed differences between Medicare supplement plans and Medicare Advantage plans. Currently 70% of retirees have the former and 30% the latter.

See p. 13 in Appendix A for 2025 purchasing power for USG retiree in the healthcare area.

There are 20,107 retirees who have plans with ALIGHT.

See p. 14 in Appendix A for Individual Medicare Advantage Market Overview. The Medicare Advantage PPO plans are more flexible and growing a lot. 14 PPO and 12 HMO plans were available in 2025 and a similar number will be available in 2026. Some carriers are pulling out of some counties and ALIGHT is putting others in. Medicare Advantage plans with a rebate are growing in popularity. 30% of these plans pay the Part B premium in Medicare (where formerly only 10% paid it). Plans are leaner in other ways but offer a rebate on Part B.

There was an average of 8 plans in 2025 for prescription drugs. This will be similar in 2026. There was a decrease in the cost of prescriptions in 2024-2025 tied to the Inflation Reduction Act. Every insurer has fewer options, however. See Appendix A, p. 15)

Medicare Advantage Plans with a \$0 cost are available to all. Medicare Supplement plans A, G and F are more expensive but cover more when a person goes to the doctor.

There are monthly rebates for Part B in 1/3 of Medicare Advantage Plans.

PPO is where you get more flexibility for retirees.

2025 Purchasing Power for USG Retirees. On average, the HRA covers 60% of the cost for Medigap and Prescription drugs plans and 125% of the cost for Medicare Advantage Plans.

4391 persons are enrolled in Medigap Prescription Drug plans (see Appendix A, p. 13)

2099 persons are enrolled in Medicare Advantage Prescription Drug plans (see Appendix A, p. 13)

Out of pocket costs are higher for medical and pharmacy costs in Medicare Advantage Plans – average of \$1,968.

Medicare supplement/medigap plans give retirees the most protection on the back end.

Medicare Advantage plans have a low premium but higher out of pocket costs. So it's a trade off when you compare the costs of these two types of policies. You take your chances as to whether you pay more now or then.

Recommendation: Look at the full financial picture and not just focus on premium costs.

80% of Medicare advantage plan holders roll money over from year to year.

30% of those in Medigap plans roll monies over.

Trend since 2023 – there is a 5.6% annual increase in costs for Medicare Supplement plans.

There is a .9% annual increase in costs for Medicare Advantage plans. There is more stability in this category of plans.

90% of USG retirees who are in Medigap plans can save money if they switch to Medicare Advantage plans. The average annual saving is \$2,300. 10% of Medicare Advantage plan enrollees will have greater costs as they get sicker. It's also important to consider whether retirees' (or dependents') doctors are in the network.

Martha Wicker: Why retirees stick with Medigap plans is because when they get sick they can't switch back. The level of risk a person takes with Medicare Advantage plans has to be evaluated because of this.

Kaiser data provides an overview of the Medicare Advantage Market. ALIGHT evaluates the stability of these plans. In 2018 Medical Advantage plans were

increasing. HMO was more stable. PPO was growing as retirees in it could see out-of-network providers.

Millions are moving to Medicare Advantage plans. The Government is reducing some of the funding for Medicare Advantage plans. So they are exiting certain markets.

IMPACT OF INFLATION REDUCTION ACT:

See p. 15-16 in Appendix A re: General Medicare Part D standard benefit improvement overtime. In 2025 retirees' out-of-pocket expenses are capped at \$2,000, adjusted for healthcare inflation. In 2026, the federal government will negotiate prices for the most costly Part B and D drugs, subject to certain conditions. In 2023 insulin was capped at \$35/month. Adult vaccines were covered at no cost.

In 2024, \$8,000 was the most a retiree paid for prescription drugs.

In 2025, the number is \$2,000. If you take specialty drugs, you have significant savings. So the change helped the most vulnerable retirees, but costs went up for healthy retirees.

Part D Market Overview (see Appendix A, p. 17. There was a LOT of volatility in this market at first. Companies found by experience how to manage costs by 2011. In 2006 the Bush administration introduced Part D.

Costs are coming down by 2026. More are using drug plan costs carriers. They want to save money. There is a smaller range of plans now offered by Drug companies. 2024-2025 – some retirees saw a decrease in their premiums of 41% along with improved benefits. Volatility is occurring as insurers determine how to offer plans in relation to premium costs. Price negotiation occurs through HHS. As they bring prices down, this should lower premiums over time.

2023-2024 – there were fewer plan design changes.

2024-2025 - there is an increase in plan design changes.

54% of stand-alone existing prescription drug plans will experience an increase or no change in 2025 premiums.

Steve Cox noted that the Medicare marketplace is fairly stable (see Appendix A, p. 18). ALIGHT has noted increased utilization, increased cost of consolidations, increased cost of out-of-pocket charges for drugs, and an impact due to tariffs on many drugs manufactured overseas. The federal government is funding more and more medical increases but there is a lot of stress in the medical situation. Stand-alone prescription drug plans show more instability. There are other plans one can choose from regarding drugs.

Joe Strong: From the perspective of the USG, we manage a large number of vendors (20+). The ALIGHT team really supports us. We need ways to build trust. There have been some concerns when retirees speak with benefits advisors. We're lucky to

have ALIGHT, however, and can share information with them. Not every organization has this. They are in it for the best for all of us. I want to convey that they are in it for us. Gail, I, and Karin are here. If a problem comes our way, ALIGHT personnel in the room are here to respond also. They are some of the best in terms of response rate and willingness to fix problems. And when there are one offs – we will listen. ALIGHT communications have to go through a COMPLIANCE GROUP. They are required to be very careful in what they communicate to retirees.

Gail Imoukhuele: Our retirees are excellent consumers. I appreciate the phone calls from various institutions. We have a community that is trustworthy. Retirees reach out to us. I hope retirees would check on things if they have questions. I appreciate the fact that ALIGHT representatives are here in person today. ALIGHT holds educational sessions about the healthcare market every year. Dates: December 2025 and January 2026 are scheduled. These will be posted on the retiree website. ALIGHT sends reminders geared to the HRA (how to submit claims). These sessions occur every quarter – the entire population gets emails about this. We get great attendance for these sessions (often 500+ at each session). For retirees turning 65, there are monthly webinars.

Anne Richards mentioned that over half of UWG retirees no longer use email so regardless of the significance of information being distributed online, many of them do not have access to this information. Gail: Best solution for this is to have those retirees call their benefits advisors.

Another retiree asked how awareness could be raised to those who don't get certain email messaging. It was mentioned that some communications come through post office mail.

There are monthly meetings geared to persons 64 years, just prior to their turning 65.

Nancy McDuff thanked the folks from ALIGHT. She said she had seen vast improvements over time due to the feedback provided by the USGRC. She noted that there is always terminology in communications that the average retiree doesn't understand. A reference made earlier to "guaranteed issuance" is terminology most retirees wouldn't understand. In cases like this, it would be helpful if the USG had an English major or an average retiree review letters before they go out.

Dorothy Zinsmeister: when retirees were booted out of the USG in 2015, we talked with the System office about communication and asked if we could read any notices sent out prior to their being sent out. Most documents were not discriminating between pre-65 and post 65 retirees. We wanted to read things in advance so as to ensure these distinctions were made.

Joe Strong: Martha Wicker is very involved in this effort at the present time.

Steve Cox: The Compliance Group at ALIGHT has issues that make communication in detail difficult at times. It was pointed out that if ALIGHT representatives and/or those at the USG HR office could explain things to USGRC representatives (even if these explanations were not distributed in written form), USGRC representatives could do a far better job of informing retirees of communications that might be vague in particular ways that campus-based persons could more fully explain.

7. Juanita Hicks, former USG Vice Chancellor for Human Resources talked about the importance of persons handling communications knowing their audience and what's important to their audience.

Authors of recruitment documents, for example, can write from a USG system perspective or a USG person's perspective. It's important to understand the culture. The culture and communication at UGA is different from that in other places. "I am reminded of cultures at other places and take these into consideration," Dr. Hicks stated. The community at the System office is very different from that on a college or university campus. For one thing, there are no students walking around. When she went outside there, she was walking around a concrete jungle on city streets and passing large buildings. When she goes outside here (at UGA), she walks into a green space with thousands of students around. She sees a huge array of generations here, and a large amount of people.

You can find any collaborative cohort on a campus. She said she didn't realize she missed this when she worked at the USG HR office. She also said she was open to any other reflections or thoughts from attendees at this meeting.

Meg Cooper: How have you seen HR change?

Juanita Hicks: Tremendously. I worked in the Technical College System before coming into the USG. I started in Logistics and Manufacturing and went to Shared Governance and thoughts.

In 2012 a Consolidated Benefits Structure occurred. One USG was the new effort which was a move toward greater efficiency and effectiveness in HR. It was a significant change in organization. HR created an infrastructure for cohesiveness around employee groups – with technology on the rise.

Then COVID hit. And attention focused on how to support our employees. There were strategy discussions. Now we have people with different demands and expectations. We are trying to manage life and organizations and have had to strategize for these things and manage tensions.

8. Karin Elliott.

Karen was not feeling well today and attended via Zoom. She said she thought today's meeting was a great one thus far – including the update from ALIGHT and Dr. Hicks' comments. She found she had a "daunting task" on her hands when Dr. Hicks left and she was hired to fill the vacated position. She said she had "big

shoes” to fill on this job since and was doing her best to live up to Dr. Hicks’ achievements. She also expressed the hope she would get to spend time on a campus before she retired, because it clearly sounded “energizing” to her. Karin said she had asked for time on today’s agenda to talk about the reasons for the decisions in 2026 to reduce the amount of the HRA. President Jones had talked about the rationale for doing this (see above, page 4). Karin asked if attendees in the group had any further questions. She mentioned that Joe Strong would be going over the presentation made to the Board of Regents on active-employee plan changes. Healthcare funding is a separate line-item request in the budget submitted by the USG to the legislature annually.

She noted that the last time the HRA amount had been changed was two years ago, when it was reduced by \$96. for the year.

As Dorothy stated earlier, when we “kicked retirees out of the existence healthcare plan” we need a sustainable option. We set the stipend amount at \$2,736 from 2016-2024. It then went to \$2,640 for 2025 and will be \$2,484 in 2026, a \$156 reduction. This is a 6% reduction which matches employee-only premiums. Looking at our increased costs for 2026, there is a lot of pressure on the healthcare market. There is increased utilization of healthcare services and consolidation of providers. We are looking at a 12% increase in healthcare costs, which amounts to an \$81 million increase.

We don’t take it lightly when we change our plan. A lot of robust discussion occurs to determine how to reduce the benefits and there is considerable coordination to secure funding for our plan through a separate line request. Employees have seen significant premium increases and plan design changes. They face higher deductibles, co-pays, and out-of-pocket costs. We capped the increase for active employees at 7% on the average and made minimum plan design changes.

When the comprehensive report was released from the Department of Audit, it was revealed that the average annual benefit for those in the state retirement system was \$237. So there is a significant difference between the benefits provided by the USG and the State Health Benefits plan.

Conversation focused on the fact that the value of Medicare plans was increasing because of changes in that marketplace, especially with regard to Part D coverage. Medicare Part D was set up in ways that were formerly problematic to retirees, but are now capped at \$2,000. This makes plans in the Medicare market more valuable.

We (the Total Rewards Steering Committee) looks at these expenses each year after the year has gone by. I am not sure what will occur going forward. Hopefully claims will stabilize and we won’t have to make other changes. That’s the best case scenario, but we just don’t know now what the future will bring.

Anne Richards: Has there been any further discussion on merging the State Health Benefits plan and the healthcare plan in operation in the University System of Georgia?

Karin Elliott: The comprehensive report from the Department of Audit found that any merger would result in a significant cost to the state if all in the state were moved to the same plan as existed in the USG. Our premiums are higher, their plans are much lower in value. It would cost 107 million dollars on an annual basis. The high cost of any change stopped any further discussion of this issue.

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Tom Jackson: Would you discuss the premium increase people face relative to the amount in the HRA? Many don't realize what goes into this.

Karin Elliott: We have a memo we want to share with all retirees explaining the increase. We can add to it. We anticipated questions from retirees.

Tom Jackson: It would help us to have this.

Dorothy Zinsmeister: A letter such as this is a good idea. On campuses people have talked about demonstrating at the System office. You and we don't want that. So an ability to explain the matter so others understand it is good – and the sooner the better.

Retirees don't see a future in which things will get better. Healthcare costs keep going up. So they see decreases in the future and wonder how they will handle it. And part of this is they don't want to convert to Medicare Advantage plans in order to afford coverage, because there are considerable problems associated with that. One of the biggest issues with Medicare Advantage plans is that doctors are leaving them. So you either have to change your plan or chase down another doctor in that plan.

Karin Elliott: I know that premiums keep going up every year. I understand that retirees are living on a fixed income. Healthcare in my lifetime has gone up every year. I don't think that will stop.

9. Joe Strong. Joe reviewed highlights of the annual presentation on Healthcare to the Board of Regents (see Appendix B). This includes matters beyond what Karin discussed.

He showed a slide of the membership of the Total Rewards Steering Committee (found on p. 5 of Appendix B).

This committee does benchmarking – comparing performance of our plans against those provided by similar employers – regionally and in national markets – as reviewed by Aon's Health Value Initiative program. (See pp. 6-7 of Appendix B).

Cost-sharing is reported on p. 8 of Appendix B. According to this page and page 9, the USG plan is doing well as compared with the national trend [projected change in USG annual claims cost per covered employee over prior year being 7.1% as compared to 8.5% as the National Healthcare Cost Trend].

With regard to 2024 and 2025 Healthcare Plan Financials across these two calendar years, the USG lost \$6.5 million dollars in 2024 and was projected to lose \$14.6 million in 2025. (see Appendix B, p. 10)

Dorothy Zinsmeister asked who covered the loss in 2024. Joe said the USG has a reserve balance and goes to the Legislature for this coverage.

Joe's presentation included a slide (see Appendix B, p. 11) which indicated that healthcare costs are projected to increase by 12.1% in 2026 as compared to 2025. As a result, the USG recommended plan design changes and employee premium increases to reduce cost to the state and USG institutions. (see Appendix B, pp. 12-13).

With regard to its Well-Being program, the annual well-being incentive of \$100 for completing healthy activities is continued. Weight-loss support continues to be provided (see Appendix B, p. 14) and a pilot program involving on-site counseling support is being implemented at a few metro Atlanta area institutions (see Appendix B, p. 14). In addition disease-management programs for possible implementation in future years are being reviewed (see Appendix B, p. 14). Meanwhile, tobacco and working spouse surcharges will remain at \$150/month and Employee premium increases between 4.4% and 10.8% will occur (see Appendix B, p. 15-17).

So far as retirees 65 and older are concerned, a "Purchasing Power" study noted that premiums increased approximately 4.4% per years from 2023-2025 and 49% of retirees had rollover balances in their HRA accounts from year to year. And due to Medicare Part D changes, retirees now pay less than they did for prescription drugs, with a cap of \$2,000 in 2025 (see Appendix B, p. 18 – erroneously labeled a second p. 16 in document). All of this led to the recommendation to reduce the annual USG contribution to retiree HRA's from \$2,640 to \$2,484 – a reduction of \$156 annually. (See Appendix B, p. 19).

Based on all projections and changes, the final budget for USG Healthcare = \$752.1 million dollars (see Appendix B, p. 20).

Martha Wicker: It is still the case that, to keep a spouse or dependent in the USG healthcare plan, a retiree must remain insured in at least one plan with the USG (either medical or drug-related). It was mentioned that 25,000 were enrolled appropriately and less than 100 had a problem.

Dorothy Zinsmeister: If, at the time of a person's retirement, a spouse has available coverage with his or her employer, the spouse has to stay with it.

It was mentioned, however, that "qualifying life events" (such as getting married after retirement) could make it possible to add someone to a retiree's healthcare plan. Another "qualifying life event" would be if the spouse with another plan loses his/her coverage.

It was noted that retirees should "think wisely" when it comes to removing a spouse from a USG plan since you can't bring the person back without a "qualifying life event."

Dorothy Zinsmeister: I learned of a situation while attending the Faculty Council meeting, of a woman who was originally hired for one year and thus opted to be in the ORP.

Subsequently, the university kept her. At that point she wanted to shift to the TRS, but was not allowed to do so. She has no recourse in this regard. In the discussion of this matter that followed, it was mentioned that the only way around such circumstances was for an individual to quit the USG job and take another job for a time. After that, if a person returned to the initial institution, he or she would be allowed to come into the TRS. Others in the room indicated they knew of people who had done this.

Joe's report included a "Legislative Update" section (see Appendix B, pp. 22-23). It made reference to a "National Average Drug Acquisition Cost (NADAC) – which, by law (House Bill

196) requires drug pricing to be set at that rate for prescriptions under USG's health plan and its impact on USG members. The law was put in place to protect independent pharmacies, but can result in higher costs for USG members if the drug price and dispensing fee falls below the plan copay.

The further impact of legislation on breast cancer screenings, access to telehealth services, and increased dependent care were addressed as well (see Appendix B, p. 23). Gail Imoukhuede, Director of Benefits (USG, HR), announced key dates for open enrollment for Pre-65 Retirees (see Appendix B, p. 25) and reminded retirees of the working spouse surcharge. Rates for pre-65 retirees for varying plans (both 2025 and 2026) were displayed (see Appendix B, p. 26).

Open enrollment dates for Post-65 retirees were also displayed (See Appendix B, p. 27). It was also mentioned that an email campaign had been launched to request that retirees join their campus-based retiree associations and that the USG and ALIGHT are both working to facilitate this. (See Appendix B, pp 28-29). ALIGHT actually has a list of retirees, which HR has access to. ALIGHT keeps up with all data (including changes of address, phone numbers, etc.) on retirees. It is now the "system of record" for all retirees through a data management system. If retirees need to update an address, or other information, they can phone or log into ONEUSG to update. It's also important for retirees to update ALIGHT if they change to a personal email. Retirees can go into the portal to update this information.

10. No representative from the Faculty Council or the Staff Council attended the meeting. There were also no reports received.

11. Committee REPORTS

- a. Dorothy Zinsmeister presented the report on the **Retirement Advisory and Investment Committee**. A copy of her report will be sent to Ted Wadley. Dorothy mentioned that she had met with the Faculty Council in May and learned that faculty are complaining about many of the same issues retirees do. One concerned having to modify policies based on the elimination of DEI matters. She also learned that Georgia Southern will soon be consolidated with East Georgia College and Armstrong.

Dorothy uses the opportunity of attending Faculty Council meetings to talk about retirement and encourage currently employed faculty to preplan for this. She directs them to the USG website for retirees, where they can find a tremendous amount of information. She recommends that faculty begin planning for retirement 5 years before doing so. She informs them that the USG Retiree Council for retirees is like the Faculty Council for currently-employed faculty and encourages them to work together. She also conveyed the importance of keeping the USGRC alive.

With regard to the Retirement Advisory and Investment Committee's work, Dorothy explained that the Committee looks at investments available to retirees in their retirement and how retirees can best support themselves once retired. CAPTRUST is an advisor that can provide much-needed support and

information to retirees. At one time, there were several investment companies approved by this Committee. It is down to three currently, but there has been discussion of limiting them to two by eliminating CoreBridge. Some of what is discussed in this meeting Dorothy finds hard to understand as a former Biology professor, but she said she has learned a great deal while serving on the committee. The group meets quarterly via Zoom .

Dorothy also mentioned that the USGRC is approaching its 10th year of existence, and an anniversary celebration would be appropriate at that point.

- b. Beverly Rowe, currently serving on the **Well-being Funding Committee**, provided a report of the work of this committee. She explained that she was new to the committee, but had been active in reviewing several proposals. The committee often suggests revision to proposals but approved those for Georgia Gwinnett College (8-21-25) and Middle Georgia State University (August 25, 2025). The next meeting of this committee is scheduled on October 16, 2025 at Georgia Techn.
- c. Martha Wicker reported on the work of the **Communications Committee**. Following Dennis Marks as chair of this committee, Martha reviews benefits information going out from the USG that Joe and Gail forward to her for review. She acknowledged the erroneous letter that went out that was subsequently corrected by ALIGHT. She is also following up on Dorothy Zinsmeister's work to develop and involve more institution-based retiree associations in the USGRC. She mentioned that Dorothy had useful information as to institutions not yet participating in the USGRC.

Institutions without retiree associations at this time include:

Abraham Baldwin Agricultural College
Albany State University
Atlanta Metropolitan State College
Columbus State University
Fort Valley State University
Georgia Gwinnett College
Georgia Highlands College
Gordon State College
Savannah State University
South Georgia State College
University of North Georgia

- 12. Michael Hazelcorn, past Chair of the USGRC invited nominations (including self-nominations) for the position of Chair-Elect and Secretary (2026-2027). He mentioned that the next meeting of the USGRC will be held in Carrollton, GA, with Meg Cooper presiding.
- 13. Nancy McDuff mentioned that the costs of travel (and sometimes overnight accommodations, etc.) are not covered for most representatives of the USGRC, but

it would be great if the Chair of the USGRC would encourage presidents to support the retiree council by taking care of these expenses.

Tom Jackson explained that, while not every institution might be willing to host a meeting of the USGRC, the administration at UGA paid for the room we met in, the lunch provided, and parking. He agreed that having some funding for covering the cost of USGRC representatives, would be a good idea.

Dorothy Zinsmeister mentioned that the retiree association at Kennesaw State University pays for her expenses and if a “robust organization” exists on a given campus, it might be able to cover these for other representatives. She also encouraged retirees and retiree organizations to get more involved with AROHE, which will host a face-to-face meeting again in 2026.

14. Chair Jackson reported he has been working with the System office to update the USGRC website

(https://www.usg.edu/advisory_committee//view/usg_retiree_council)

Unfortunately, it has recently reverted to old pages from earlier years as an unexpected consequence of a system upgrade. The matter is being addressed to restore current information.

15. Meg Cooper announced that the Spring meeting of the USGRC would likely take place the last Friday in March, 2026 or the last Friday in April, 2026.

Respectfully submitted,

Anne C. Richards



University System of Georgia and Alight Solutions
Retiree Advisory | October 10, 2025

Alight Retiree Health Solutions

alight®



Agenda

1. Customer value initiative
2. Supporting Annual Enrollment
3. Market update
4. Improvements/website enhancements
5. Communications
6. Your Spending Account™/HRA

Customer Value Initiative

Maximizing Customer Value (MCV): Program Goal

- Educate retirees on the benefits of reviewing their health care coverage
- Help retirees determine if their coverage still fits their needs or if a new plan will better fit their current health needs and budget
- Offer support from licensed Benefits Advisors to review, assess, and identify coverage that meets their needs

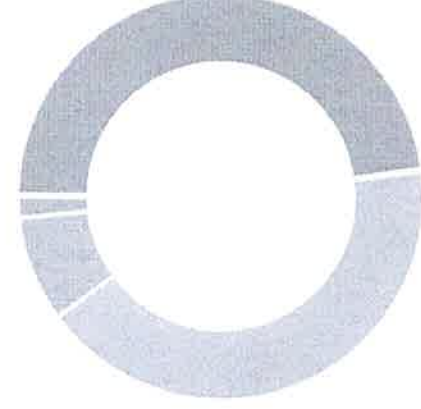


Program Parameters and Results

Program parameters

- Annual program
- This year focus on Guarantee Issue opportunity
- Currently enrolled in Medigap plan
- Ages 65-79
- Medicare Marketing Guidelines
- Offered in applicable states (majority of states)

Results to date

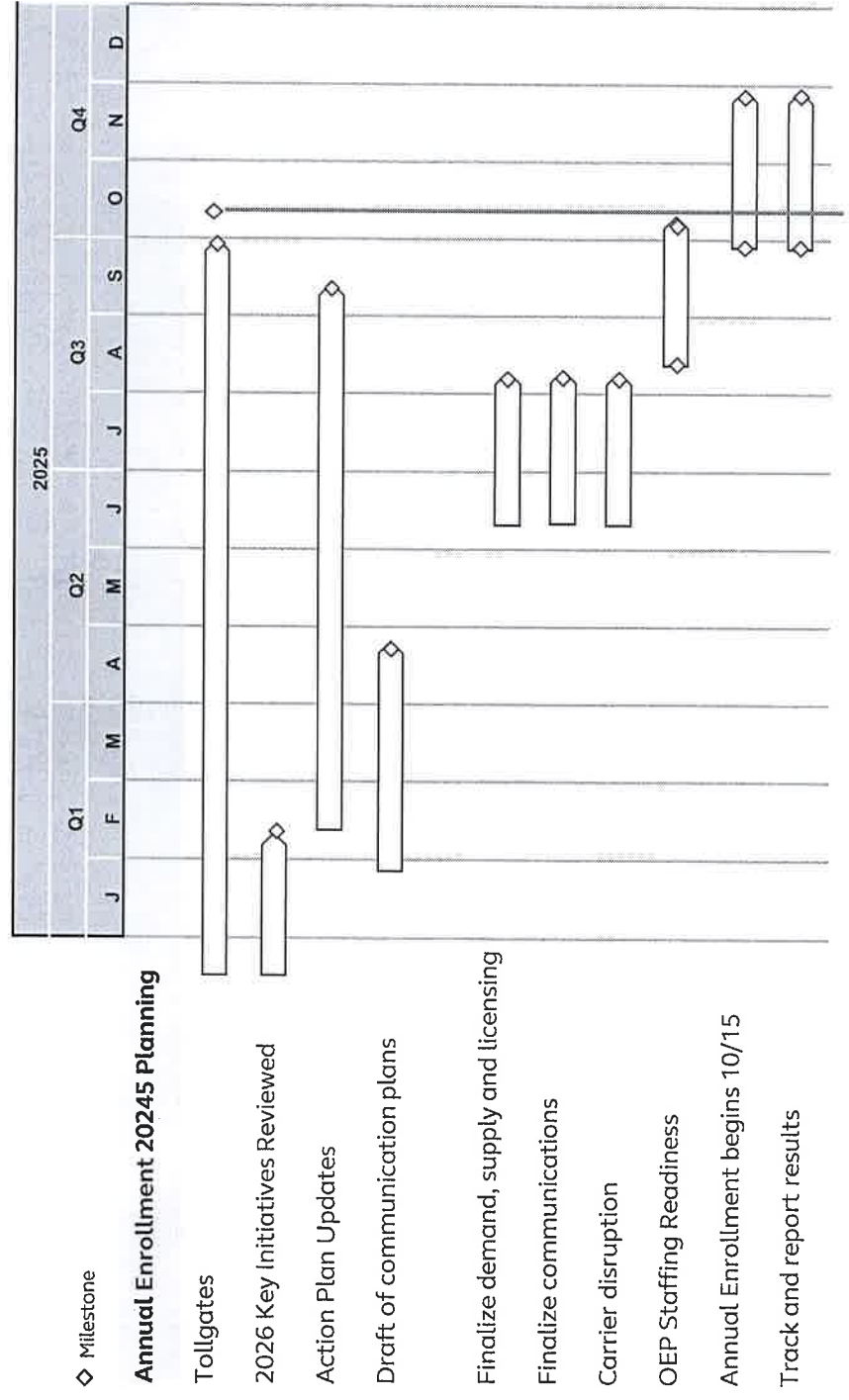


- Retirees in the program: 7,683
- Appointments set: 6,765
- Appointments confirmed: 1,371
- New enrollments as a result of the MCV program: 271

Supporting Annual Enrollment

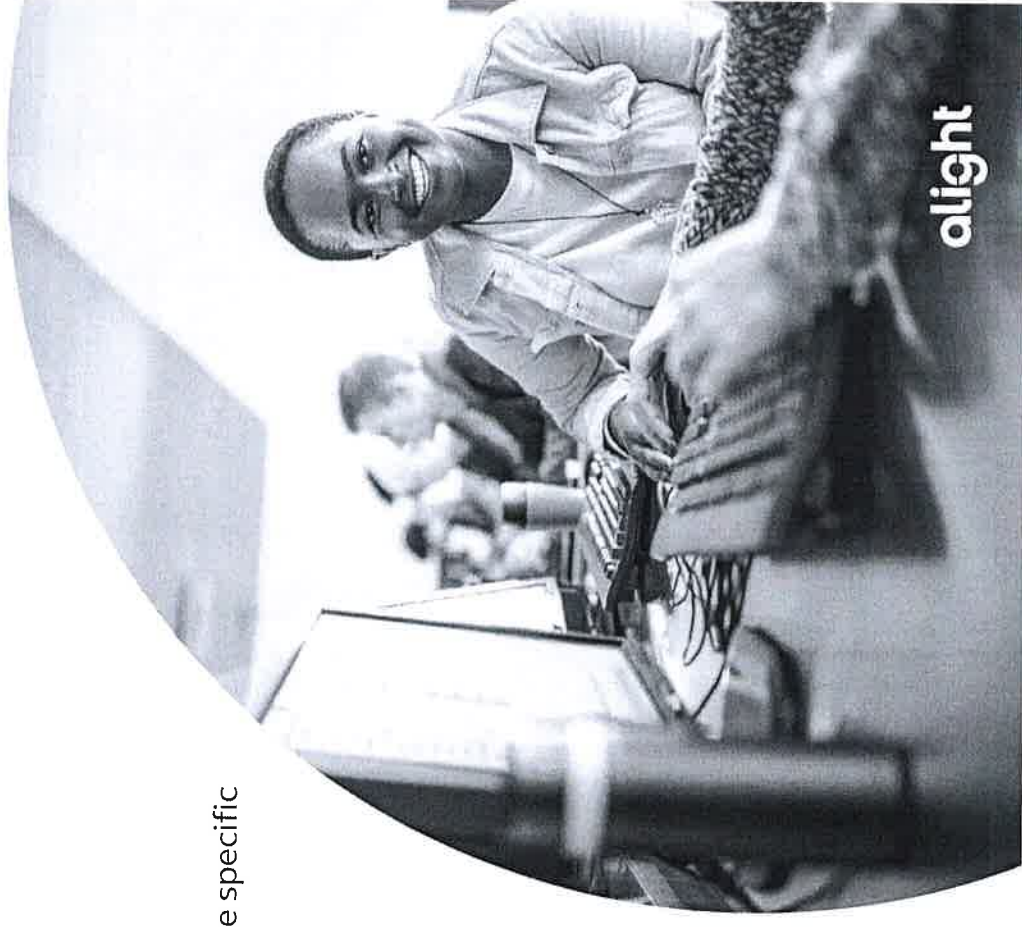
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2026 Strategic Planning Program Sequencing



Annual Enrollment Readiness

- Managed appointment volume
- Staffing
 - Continue “podded” call center approach – USG knowledge specific
 - Hiring began in May
 - Seasonal hires to support additional volume
 - Contingency planning built in
- Training
 - Began in June
 - State licensing
 - Annual Medicare and carrier certifications
- Carriers
 - Two new carriers
 - Devoted Health
 - Alignment Health
 - Managed plan changes



Market Update

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2026 Medicare Market

Medicare Annual Enrollment Period for 2026

- October 15–December 7, 2025

Medicare & You Guide – 2026

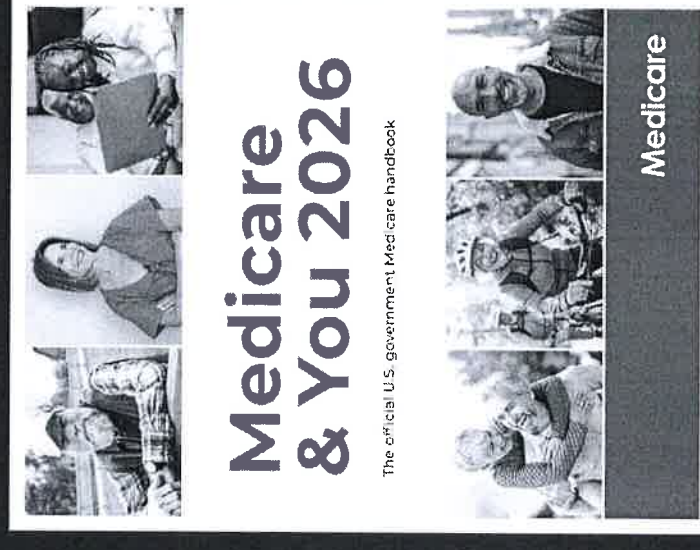
- Released by CMS – September 2025
- 2026 Part A/B premiums and deductibles typically announced by CMS during October

Medicare Part A (Hospital)

- Premium: Typically \$0 for most beneficiaries
- Deductible: **2026: \$TBA**
 - 2025: \$1,676; 2024: \$1,632; 2023: \$1,600

Medicare Part B (Medical)

- Premium **2026: Projected** to increase over 11% to \$206.50
 - 2025: \$185; 2024: \$174.70; 2023: \$164.90
- Deductible **2026: \$TBA**
 - 2025: \$257; 2024: \$240; 2023: \$226



Medicare to announce official
2026 values this Fall

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Two Key Categories to Choose From In The Individual Market

Medicare Supplement
plus: separate prescription drug

Traditional Medicare
Primary coverage

Part A
Hospital

+

Part B
Physician

Medicare Supplement/Medigap
Fills in gaps from Medicare

MED SUPP

+

Prescription Drugs

Part D

VS.

Medicare Advantage
with prescription drug

“All in one” plan which combines Medicare Part A, B and D and includes **additional benefits** such as dental, vision, hearing, and wellness.

Part C

Currently about 54% of Medicare beneficiaries choose Medicare Advantage (KFF)

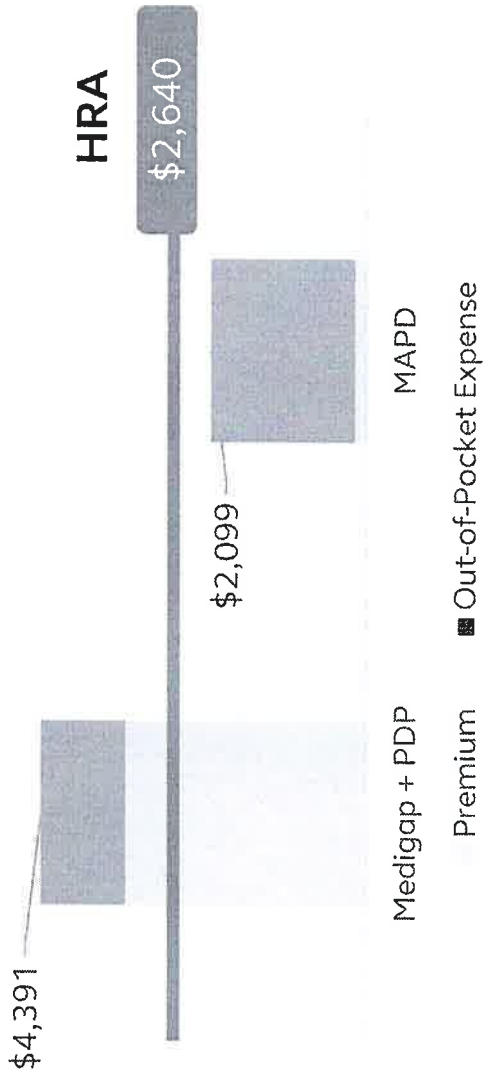
2025 Market Choice (Medigap Rates at Age 75)

Top Counties and Overall	Members	Number of Retiree Exchange Plan Options					Monthly Premiums (Low to High)					Monthly Part B Rebate (Low to High)
	Total	MAPD PPO / HMO	MAPD w/ Part B Rebate PPO / HMO	Medigap Pre / Post MACRA	PDP	MAPD	Medigap Plan N	Medigap Plan G	Medigap Plan F	PDP	MAPD	
Clarke, GA	2,117	15 / 14	6 / 5	33 / 22	8	\$0 - \$92	\$121 - \$249	\$157 - \$345	\$183 - \$413	\$21 - \$160	\$183 - \$413	\$1 - \$114
Fulton, GA	1,173	17 / 17	5 / 8	33 / 22	8	\$0 - \$92	\$121 - \$289	\$169 - \$408	\$196 - \$446	\$21 - \$160	\$196 - \$446	\$1 - \$114
Dekalb, GA	1,136	18 / 17	6 / 8	33 / 22	8	\$0 - \$92	\$121 - \$289	\$164 - \$408	\$190 - \$446	\$21 - \$160	\$190 - \$446	\$1 - \$114
Cobb, GA	982	11 / 16	2 / 7	33 / 22	8	\$0 - \$92	\$121 - \$289	\$169 - \$408	\$196 - \$446	\$21 - \$160	\$196 - \$446	\$1 - \$114
Oconee, GA	749	15 / 13	5 / 5	33 / 22	8	\$0 - \$92	\$121 - \$249	\$157 - \$345	\$183 - \$413	\$21 - \$160	\$183 - \$413	\$1 - \$114
Richmond, GA	734	15 / 11	5 / 5	33 / 22	8	\$0 - \$92	\$121 - \$249	\$157 - \$345	\$183 - \$413	\$21 - \$160	\$183 - \$413	\$1 - \$114
Columbia, GA	714	15 / 11	5 / 5	31 / 20	8	\$0 - \$92	\$121 - \$249	\$164 - \$345	\$190 - \$413	\$21 - \$160	\$190 - \$413	\$1 - \$114
Bulloch, GA	576	10 / 7	5 / 3	33 / 22	8	\$0 - \$92	\$121 - \$261	\$164 - \$373	\$190 - \$446	\$21 - \$160	\$190 - \$446	\$1 - \$114
Gwinnett, GA	473	16 / 18	5 / 8	33 / 22	8	\$0 - \$92	\$121 - \$289	\$164 - \$408	\$190 - \$446	\$21 - \$160	\$190 - \$446	\$1 - \$114
Madison, GA	443	16 / 13	6 / 5	33 / 22	8	\$0 - \$92	\$121 - \$261	\$157 - \$373	\$183 - \$446	\$21 - \$160	\$183 - \$446	\$1 - \$114
Chatham, GA	436	19 / 12	6 / 5	33 / 22	8	\$0 - \$92	\$121 - \$261	\$164 - \$373	\$190 - \$446	\$21 - \$160	\$190 - \$446	\$1 - \$114
Carroll, GA	407	12 / 6	3 / 2	33 / 22	8	\$0 - \$92	\$121 - \$289	\$164 - \$408	\$190 - \$446	\$21 - \$160	\$190 - \$446	\$2 - \$92
Lowndes, GA	406	9 / 7	2 / 2	33 / 22	8	\$0 - \$92	\$121 - \$261	\$157 - \$373	\$183 - \$446	\$21 - \$160	\$183 - \$446	\$2 - \$92
Tift, GA	286	12 / 7	3 / 2	33 / 22	8	\$0 - \$92	\$121 - \$261	\$157 - \$373	\$183 - \$446	\$21 - \$160	\$183 - \$446	\$2 - \$105
Cherokee, GA	265	11 / 16	3 / 7	33 / 22	8	\$0 - \$92	\$121 - \$289	\$169 - \$408	\$196 - \$446	\$21 - \$160	\$196 - \$446	\$1 - \$114
Aiken, SC	264	20 / 8	9 / 3	41 / 24	7	\$0 - \$92	\$110 - \$248	\$145 - \$309	\$170 - \$397	\$21 - \$152	\$170 - \$397	\$1 - \$109
Jackson, GA	234	17 / 13	6 / 5	33 / 22	8	\$0 - \$92	\$121 - \$261	\$157 - \$373	\$183 - \$446	\$21 - \$160	\$183 - \$446	\$1 - \$114
Hall, GA	233	11 / 14	3 / 5	33 / 22	8	\$0 - \$92	\$121 - \$261	\$157 - \$373	\$183 - \$446	\$21 - \$160	\$183 - \$446	\$1 - \$114
Muscogee, GA	223	18 / 13	6 / 5	33 / 22	8	\$0 - \$92	\$121 - \$249	\$157 - \$345	\$183 - \$413	\$21 - \$160	\$183 - \$413	\$1 - \$114
Lumpkin, GA	203	15 / 10	6 / 2	33 / 22	8	\$0 - \$92	\$121 - \$261	\$164 - \$373	\$190 - \$446	\$21 - \$160	\$190 - \$446	\$1 - \$105
All Other Counties	8,053	14 / 10	4 / 4	34 / 23	8	\$0 - \$119	\$126 - \$269	\$169 - \$362	\$198 - \$435	\$22 - \$150	\$198 - \$435	\$2 - \$108
Total	20,107	14 / 12	5 / 5	34 / 22	8	\$0 - \$103	\$123 - \$267	\$164 - \$369	\$192 - \$434	\$21 - \$156	\$192 - \$434	\$1 - \$110

99% of USG members have access to a Medicare Advantage PPO Plan and 99% have access to a Medicare Advantage Plan that offers a Part B rebate

2025 Purchasing Power for USG Retirees

2025 comparison of average annual costs

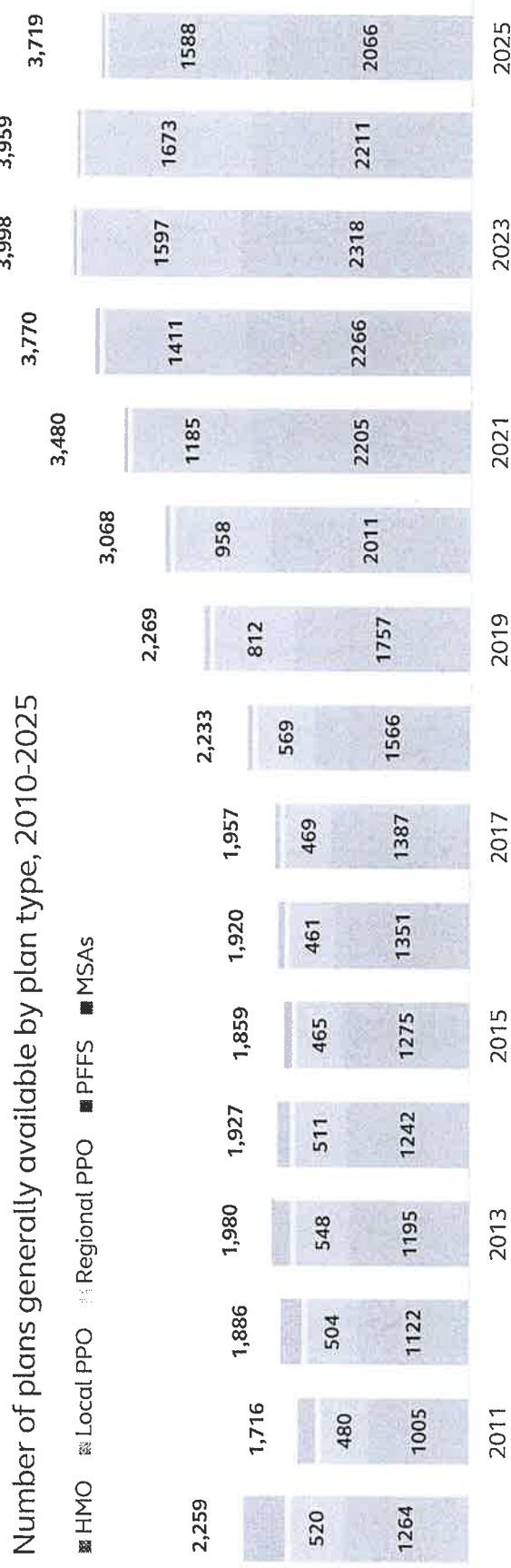


- On average, the USG HRA covers 60% of cost for Medigap + PDP and 125% of cost for MAPD
- 80% of account holders enrolled in MAPD have rollover balances and 35% in Medigap + PDP have rollover balances
- Since 2023, healthcare costs have increased, on average, by 5.6% annually for Medigap + PDP, and 0.9% annually for MAPD
- Roughly 90% of USG retirees who are currently enrolled in Medigap, can save money with MAPD PPO (5% out-of-network utilization) with average annual savings of \$2,300

- Based on USG retirees enrolled in both medical and pharmacy coverage through Alight as of January 1, 2025
- Approximately 70% of retirees enroll in Medigap + PDP, and 30% in MAPD
- Assumes average retiree health status

Individual Medicare Advantage Market Overview

National beneficiary access to 2025 individual Medicare Advantage plans



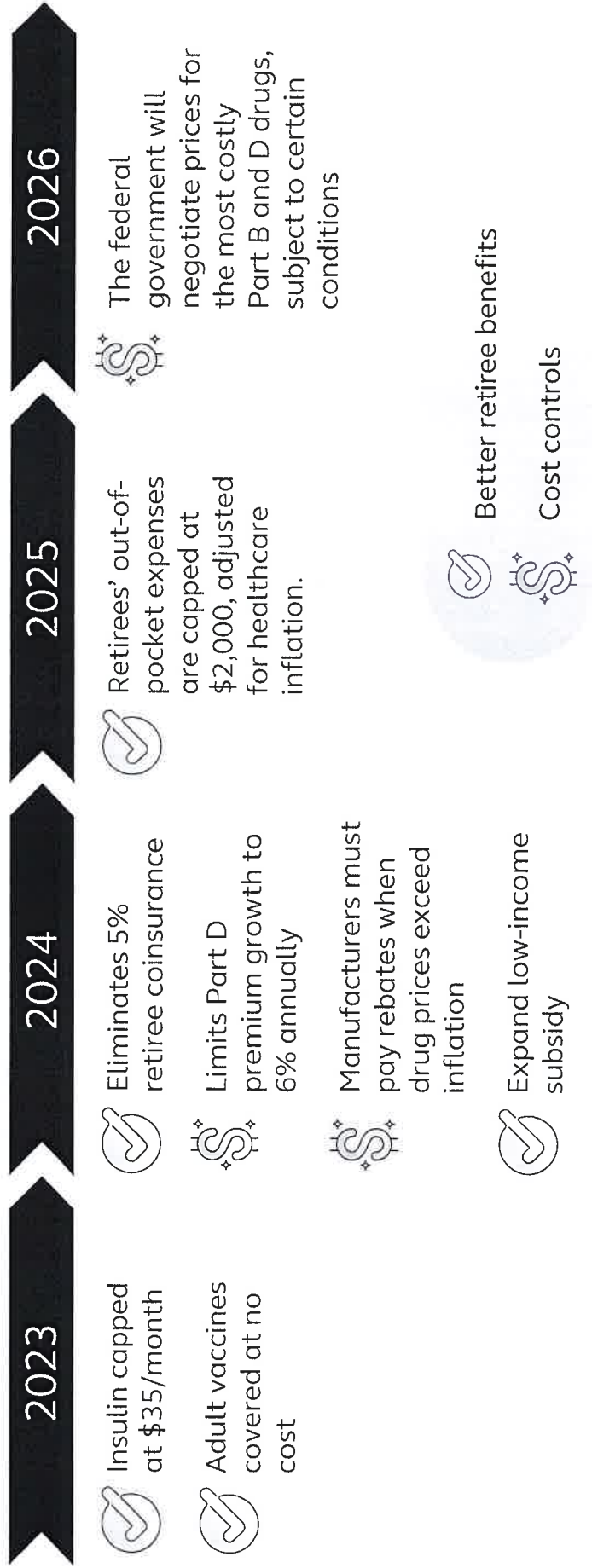
Note: Excludes SNPs, EGHPs, HCPs, PACE plans, cost plans and MMPs. Numbers may differ from previous publications in cases where the Landscape File for the year was updated after initial publication. Source: KFF analysis of CMS Landscape files for 2010-2025.

Despite Federal Medicare Advantage payment reforms and the IRA, the Medicare Advantage marketplace has remained relatively stable over the past few years, with about 99% of retirees having access to a PPO.

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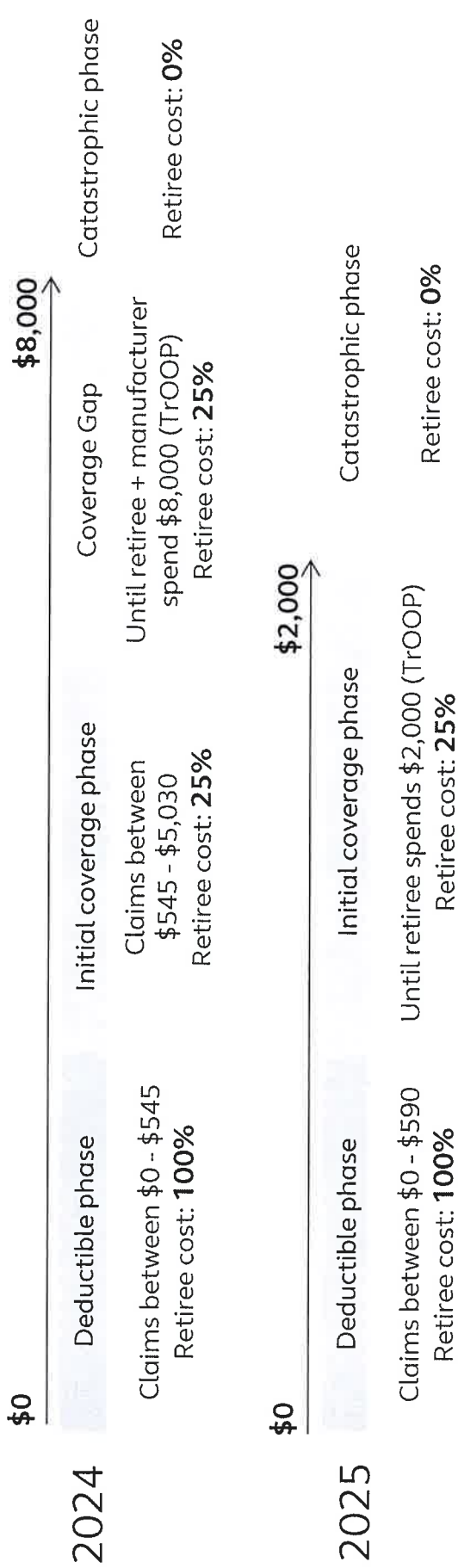
Inflation Reduction Act

General Medicare Part D standard benefit improvement timeline



Inflation Reduction Act

Improvements to the Medicare Part D standard Benefit



The material improvement in the Medicare Part D benefit is disproportionately helping the most vulnerable retirees

Individual Medicare Part D Market Overview

Medicare Part D standalone PDP plan consolidation under the IRA



Note: PDP is prescription drug plan. Excludes PDPs in the territories (n=10 in 2025).

Despite the decrease in stand-alone PDPs for 2025 due to the IRA, retirees will have access to at least 12 PDPs in every state, alongside MAPD plans.

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Individual Medicare Part D Market Overview

Premium analysis for standalone PDP enrollees not eligible for low-income subsidies

2024-2025 premium changes

■ Decrease ■ No change ■ Increase: <\$10 ■ Increase: \$10 to <\$35 ■ Increase: \$35 ■ Increase: >\$35

Share of 13.1 million non-LIS PDP enrollees



Comparison to 2023-2025

■ Decrease in monthly premium ■ No change ■ Increase in monthly premium

2023 → 2024 (12.9 million non-LIS PDP enrollees)



2024 → 2025 (13.1 million non-LIS PDP enrollees)



Note: PDP is prescription drug plan. LIS is low-income subsidy. Estimates are weighted by June of 2023 and 2024 enrollment, respectively, assume current PDP enrollees remain in their same plan, and make no assumptions about plan choices by new enrollees.

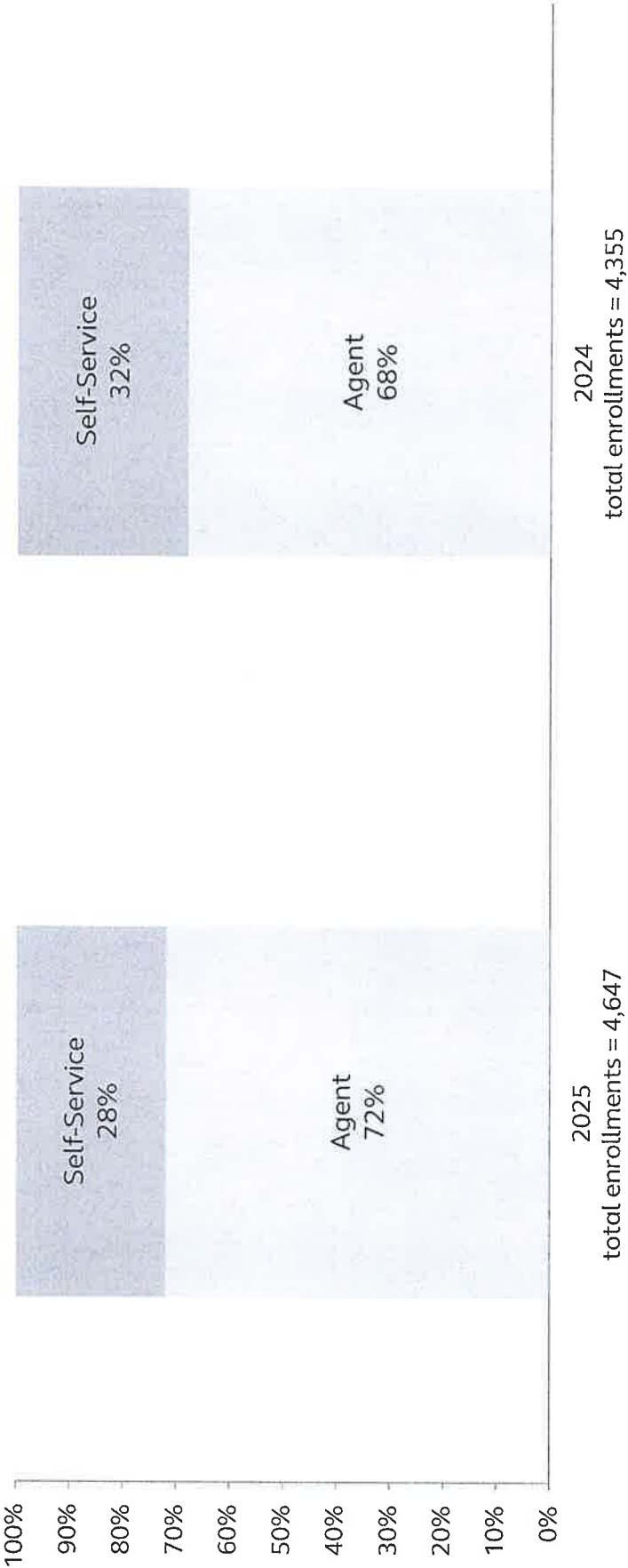
About 54% of stand-alone PDP enrollees will experience a decrease or no change in their 2025 premium under their existing plan.

Improvements/Website Enhancements

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Enrollments Completed

2024 vs. 2025



Alight's Website Enhancements

- Expanded text messaging to include “running late” notification
- Privacy policy enhancement
- Electronic Medicare guide
- Enhanced shopping navigation
- Enhanced provider indicators for doctors
- Enhanced “Compare to Current” experience

Note: See appendix for further detail

Communications

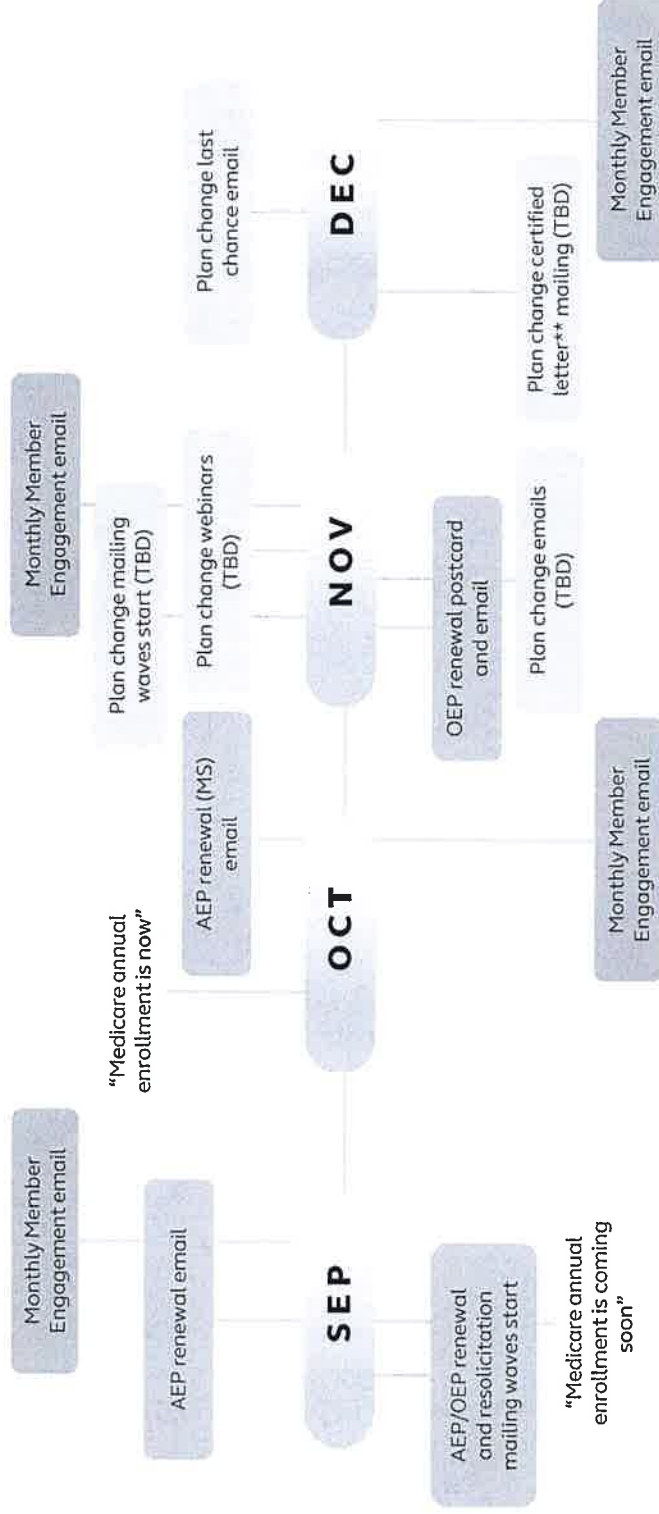
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A black and white photograph showing a close-up of a person's hands typing on a laptop keyboard. The image is slightly blurred, giving it a sense of motion. The laptop is open, and the keyboard is clearly visible. The person's hands are positioned over the keyboard, with fingers pressing down on the keys.

Annual Enrollment Period Renewal Experience – Objectives

- Value and support of Alight
- Proactive communications and notifications (plan changes)
- Simplified messaging with an emphasis on self-service
- HRA information
- Access to education information and resources

Communications Timeline*



* Subject to change

** Contingent communication, based on Client

Communications

- Enrollment
 - Annual renewal emails sent to retirees to prompt account updates and plan compare tool utilization
 - Annual renewal letter with 2026 HRA allocation – end of September
 - Plan change notices sent by carriers no later than 9/30
 - Alight plan changes notices sent mid-October
- Retiree meetings (webinars)
 - Transitioning to Medicare webinar 10/7 and 10/9 (hosted by USG)
 - Retiree Council 10/10
 - Clayton State 10/20
 - Perimeter College
 - HRA webinars
 - 5/13
 - 9/11
 - 12/11
 - 1/7/26
 - Ongoing monthly Age In webinars

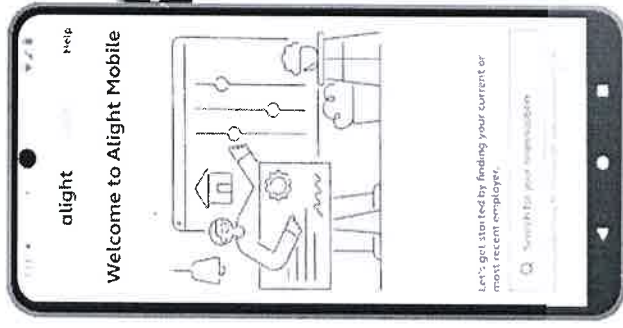


Your Spending Account

alight



Alight Mobile App



Manage your HRA on the go

- Submit claims and track status
- Check current balance
- View recent transactions
- Manage direct deposits

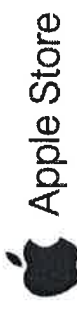
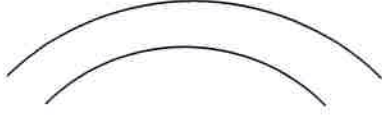


Take a picture of receipts
and upload to the app

alight



Downloading the Alight Mobile App



Search "Alight Mobile" to download from
from Apple App Store or Google Play

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Appendix

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Website – Privacy Policy Enhancement

Privacy Policy

In order to continue you need to read and accept the Privacy Policy.

Last Updated: March 2024

Alight Solutions LLC is committed to protecting your privacy. This Privacy Policy ("Policy") explains how Alight Solutions LLC, our subsidiaries and affiliates (collectively, "Alight," "we," "our" or "us") collect, use and share your Personal Information when you access any website, mobile app or software application (the "Sites") administered by us or engage with us in business activities. This Policy applies to Personal Information collected in connection with your use of the Sites or when you interact with us in other communication channels such as via phone or email.

Personal Information means any information relating to an identified or identifiable individual.

This Policy applies to our internal colleagues, clients, client employees, prospective clients, job applicants, contingent workers, vendor or partner employees, and Site visitors.

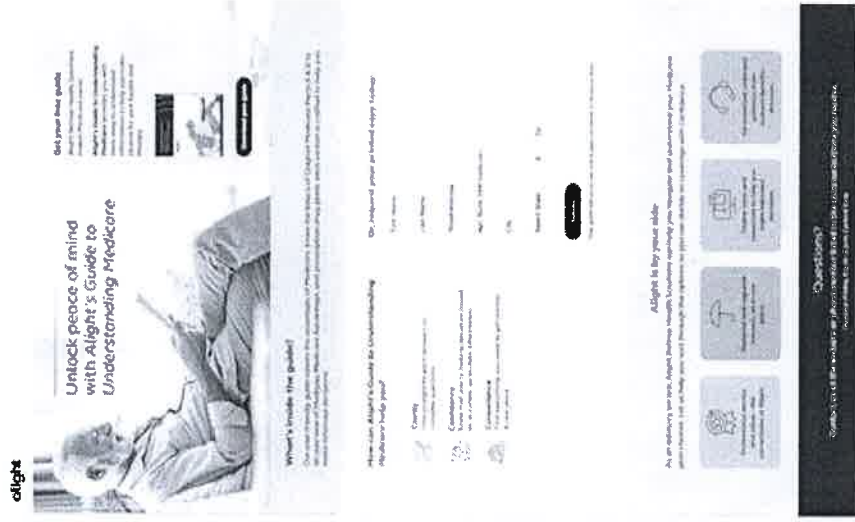
Please note that the applicability of certain details of this Policy may vary depending on your relationship with us, where you reside, and, if applicable, the services Alight provides to you, your employer or plan sponsor or that are otherwise made available to you on your

☒ I have read and accept the Privacy Policy.

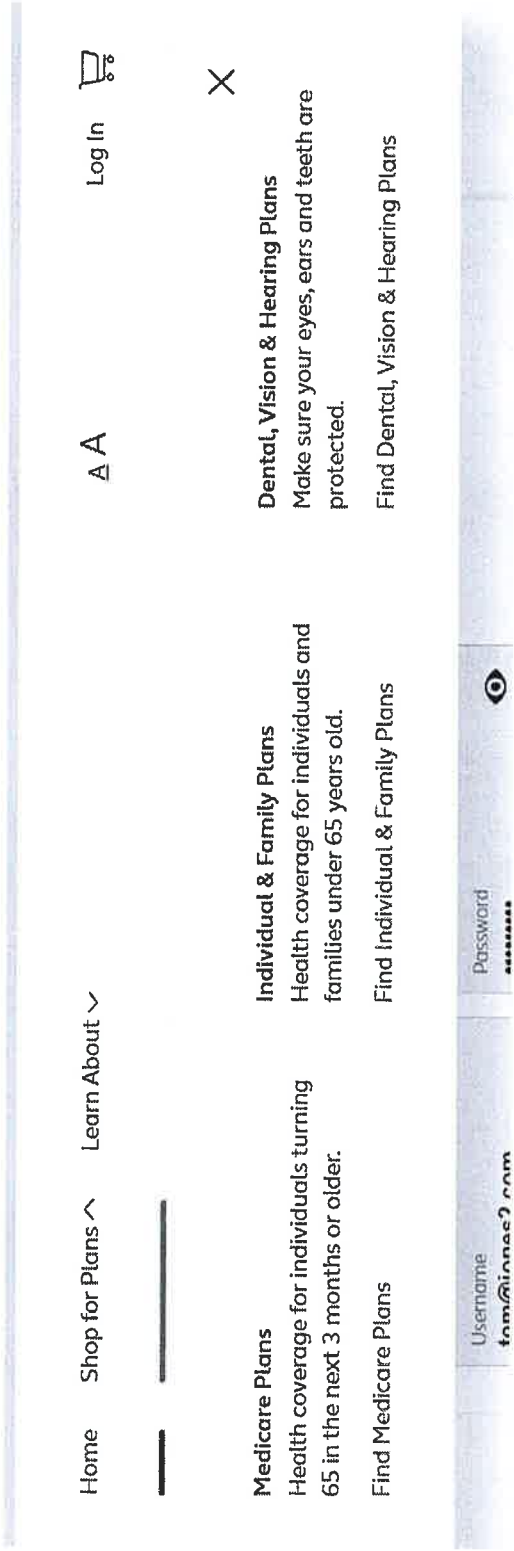
Continue

Go back

Website – Electronic Medicare Guide



Website – Shopping Navigation



Website – Enhanced Provider Indicators

Plan Details

Plan Score Explanation

Network Type

Providers in network: 2 of 4

Crudele, James

Telemedicine ⓘ

Virtual Only ⓘ

Accepting New Patients ⓘ

Existing Patients Only ⓘ

High Value ⓘ

Fisher, Mark

Telemedicine ⓘ

Accepting New Patients ⓘ

Mahan, Janet

Existing Patients Only ⓘ

Ridenour, John

High Value ⓘ

Accepting New Patients

When a provider accepts new patients, it means they're scheduling appointments for patients who aren't currently being treated by the provider. Please contact the provider to confirm they're still accepting new patients.

Prescriptions

Clopidogrel

Gabapentin

Nebivolol

Ozempic

Plavix

Show More

\$0 Copay Example

\$0 / month premium

Website – “Compare to Current” Experience

Other 2026 plans Best match Sort by CMS Star Rating < 1 / 3 >



Plan Title of Illinois Goes Here and it could be really long. Like super long PPO.

Plan ID: F10332488-21 Network: HMO

Firstname Lastname Account

To Do's Profile Appointments Saved Plans Coverage HRAA

Coverage

Choose your 2026 coverage

Annual enrollment for Medicare is Oct 15 - Dec 7

MEDK 21

Plan available in 2025

Horizon Medicare Supplement: Plan N

You can keep your current plan for 2026 or shop for new coverage. If you don't select your plan, we'll automatically renew your current 2024 to 2025 plan.

Keep my plan

Shop 2026 plans

PRESCRIPTION DRUG

Plan available in 2025

Humana Wellmark Value Rx Plan (PDP)

Your 2024 plan is not available next year, but your lower is. You can keep your current plan for 2025 or shop for new coverage. If you don't select your plan, we'll automatically enroll in the recommended plan if you don't act. Or, you can shop for new coverage.

Accept this change

Shop 2024 plans

Ready to shop and save? Make sure you're prepared with these helpful resources.

Learn more >

Benefits Topics

- Board Presentation Review
- Legislative changes overview
- Open and Annual Enrollment Key Dates
- Communication to opt into Retiree Organizations



Board Presentation Review



UNIVERSITY SYSTEM OF GEORGIA

2026 Healthcare Plan

Board of Regents August Presentation
August 12, 2025

Agenda

- Total Rewards Steering Committee
- USG Healthcare Plan Benchmarking & Performance
- Healthcare Plan Budget Review for Plan Years 2024, 2025, and 2026
- 2026 Healthcare Plan Design and Premium Recommendations
- 2026 65+ Medicare Eligible Retirees Contribution

Total Rewards Steering Committee

Committee Member	Title	Institution
Dr. Paul Jones	Chair and Presidential Sponsor	Fort Valley State University
Dr. Valerie Hepburn	USG retiree, Sr. Health Policy Consultant, USG, former President	College of Coastal Georgia/UGA
Traycee Martin	Vice President for Finance and Administration	Valdosta State University
Lori McCarty	Assistant Vice President of Human Resources	Dalton State College
Dr. James Marton	Professor and Chair, Dept. of Economics, Andrew Young School of Policy Studies	Georgia State University
Karen McDonnell	Vice President, Human Resources and Chief Human Resources Officer	Kennesaw State University
Dr. Doug Miller	Professor of Cardiology and Population Health Science, Medical College of Georgia	Augusta University
James Shore, Sr.	Sr. Associate Vice President for Finance and Admin. and Budget Director	University of Georgia
Dr. Christie Stewart	Sr. Academic Professional, School of Biological Sciences	Georgia Institute of Technology
Dr. Stuart Tedders	Dean, College of Public Health	Georgia Southern University
Dr. Henry N. Young	Kroger Professor, Dept. Head, UGA Clinical and Administrative Pharmacy	University of Georgia

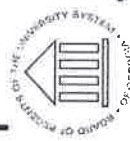
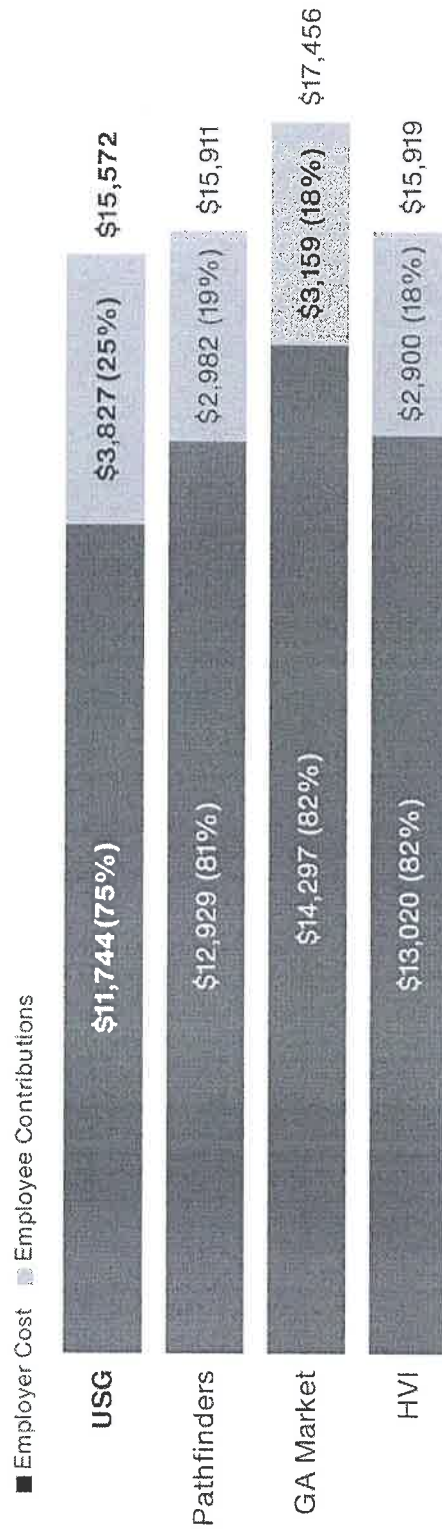


Healthcare Plan Benchmarking

- We compare the performance of our plan against similar employers and the regional and national markets through Aon's Health Value Initiative (HVI™) study
 - The entire database includes over 1,000 organizations (small and large) across the U.S.
 - Includes over 7.5 million employees and over \$120 billion in health care expenditures
 - Comparisons to higher education ("Pathfinders"), other state of Georgia employers, and the entire database

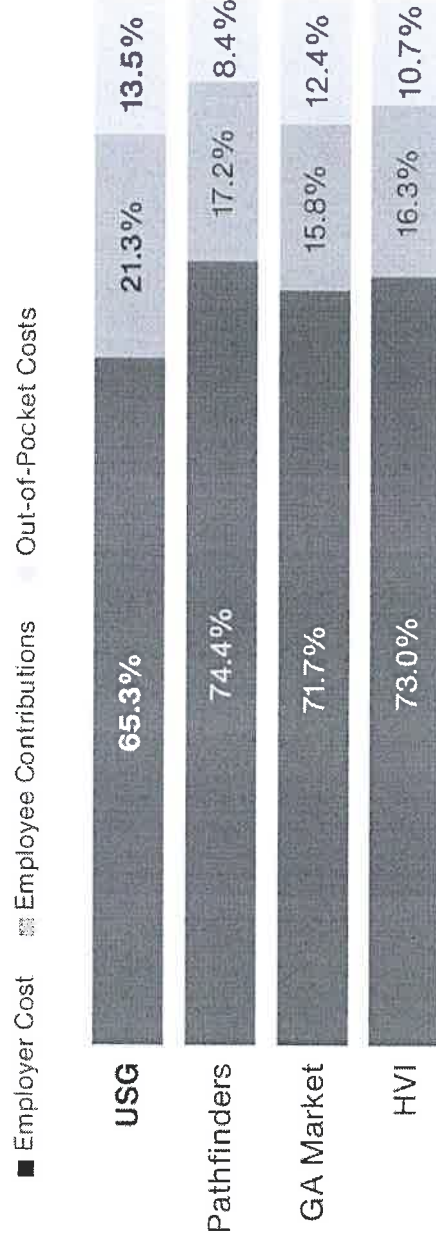
Healthcare Plan Benchmarking

Health Plan Costs Per Employee Per Year



Healthcare Plan Benchmarking

Cost Sharing Mix-Overall



Healthcare Plan Performance vs. Trend

Actuals (Active & Pre-65)	2020	2021	2022	2023	2024	2025 Projected
USG percentage change in annual claims cost per covered employee over prior year	(3.9%)	11.6%	2.4%	5.7%	6.9%	7.1%
National Healthcare Cost Trend ¹	6.0%*	7.0%*	5.5%	8.0%	8.5%	8.5%

¹PwC Health Research Institute: Medical Cost Trend 2026
*Normalizes 20/21 impact from COVID-19 – estimated trend with Covid-19 impact would be 2.6% for 2020 and 11.2% for 2021



Healthcare Plan Budget Review

2024 and 2025 Healthcare Plan Financials - Calendar Year

2024 Budget - Actuals	2025 Updated Projection
\$620.1M Premiums Paid (EE + ER)	\$671.5M Premiums (EE + ER)
<u>\$626.6M Expenses (Claims/Admin.)</u>	<u>\$686.1M Expenses (Claims/Admin.)</u>
-\$6.5M	-\$14.6M



UNIVERSITY SYSTEM OF GEORGIA

Financial projections provided by USG's Healthcare actuary, Aon, based on calendar year.

Healthcare Plan Budget Review

2026 Healthcare Plan Financials - Calendar Year

2026 Initial Projection
\$671.5M – 2025 Budget
\$753.0M – Initial Projection Status Quo
\$81.5M – 12.1% increase over prior year

- 2026 projected increase at 12.1% is due to making up for higher than expected costs in the updated projection for 2025 and the normal expected medical trend for 2026
- We are recommending plan design changes and employee premium increases to reduce the cost to the state and our institutions



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Financial projections provided by USG's Healthcare actuary, Aon, based on calendar year.

2026 Healthcare Plan Recommendation

Consumer Choice HSA Plan

- Increase the individual Out-of-Pocket maximum from \$9,200 to \$10,000 at the family tier
- Reduce the HSA matching contribution from \$375 to \$325 for employee only, and from \$750 to \$650 for family

Comprehensive Care Plan

- Increase pharmacy Out-of-Pocket maximum per member from \$2,000 to \$2,250 and from \$6,000 to \$6,750 per family

2026 Healthcare Plan Recommendation

BlueChoice HMO Plan

- Increase pharmacy Out-of-Pocket maximum per member from \$2,000 to \$2,250 and from \$6,000 to \$6,750 per family

Kaiser Permanente HMO Plan

- Negotiated reduced premium increase; no plan design changes



2026 Healthcare Plan Recommendation

Well-being Program

- Maintain annual well-being incentive at \$100 for completing healthy activities
- Weight loss support
 - Omada Weight Management will be offered to Kaiser members
 - Weight Watchers will continue to be offered for Anthem/CVS members
- Implementing a pilot for on-site counseling support at a few metro Atlanta area institutions
- Reviewing targeted disease management programs for possible implementation in future years

2026 Healthcare Plan Recommendation

- Tobacco and working spouse surcharges will remain at \$150 per month
- Employee Premium increases between 4.4% - 10.8% depending on plan and tier



2026 Employer Healthcare Premiums

Tier	Employer Monthly Premium (+/- \$ Change from Current)	Anthem (USG Self-Insured Coverage)			Kaiser (Fully Insured)
		Consumer Choice HSA	Comprehensive Care	BlueChoice HMO	
Employee		\$708 (+\$90)	\$708 (+\$90)	\$708 (+\$90)	\$530 (+\$29)
Employee + Child(ren)		\$1,234 (+\$154)	\$1,234 (+\$154)	\$1,234 (+\$154)	\$920 (+\$42)
Employee + Spouse		\$1,439 (+\$179)	\$1,439 (+\$179)	\$1,439 (+\$179)	\$1,073 (+\$49)
Family		\$2,056 (+\$256)	\$2,056 (+\$256)	\$2,056 (+\$256)	\$1,533 (+\$70)

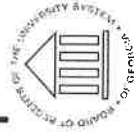
For 2026, Employer Premium has a level dollar subsidy applied across all self-insured plan options.
Premiums rounded to nearest dollar.



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2026 Employee Healthcare Premiums

Employee Monthly Premium (+/- \$ Change from Current)	Anthem (USG Self-Insured Coverage)			Kaiser (Fully Insured)
	Consumer Choice HSA	Comprehensive Care	BlueChoice HMO	
Employee	\$105 (+\$7)	\$233 (+\$13)	\$286 (+\$12)	\$219 (+\$12)
Employee + Child(ren)	\$230 (+\$22)	\$460 (+\$32)	\$556 (+\$31)	\$427 (+\$32)
Employee + Spouse	\$269 (+\$26)	\$537 (+\$38)	\$648 (+\$36)	\$498 (+\$37)
Family	\$384 (+\$37)	\$767 (+\$54)	\$926 (+\$52)	\$712 (+\$53)



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Premiums rounded to nearest dollar.

65+ Retiree – Review of Coverage

Purchasing Power Study

- Based on retiree plan elections, premiums increased approximately 4.4% per year from 2023 – 2025
- 49% of retirees rollover balances from year to year

Medicare Part D Changes

- Donut hole closed in 2020 – cost share has reduced to 25% from 50% when we first implemented the HRA in 2016
- In 2024, the cost share of 5% in the catastrophic phase was eliminated and insulin capped at \$35 per month
- In 2025, the out-of-pocket maximum for drug costs is capped at \$2,000 (from \$7,400)



65+ Retiree 2026 Employer Contribution

- Recommend reducing the annual employer contribution to the Health Reimbursement Account (HRA) from \$2,640 to \$2,484 (-\$156)

2026 Healthcare Plan Recommendation

Initial projection (\$81.5M increase over 2025 budget)	\$753.1M
Plan Design Changes (out-of-pocket costs employees)	-\$0.7M
Carrier Negotiation	<u>-\$0.3M</u>
<u>Final Budget (\$80.5M over 2025 - Employee & Employer)</u>	<u>\$752.1M</u>
Employee Premium Increases (reduction in costs to employer)	\$12.0M
2026 Employer Increase	\$68.5M
2026 Budget based on proposed plan design and premium increases	
Employer (USG) projected costs	\$577.4M
Employee projected costs	<u>\$174.7M</u>
Total projected budget	\$752.1M



Legislative Changes Review



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Legislative Update

NADAC Drug Pricing

House Bill 196

Requires drug pricing to be set at the NADAC rate for prescriptions under USG's health plan.

National Average Drug Acquisition Cost (NADAC)

Weekly survey to obtain average price pharmacies pay to buy a drug, used to help set fair & transparent reimbursement rates. These prices are used alongside dispensing fees to determine total cost of the drug.

USG member impact

- Minimal impact, however potential for increased volatility with drug pricing.
- Member will only see a difference in cost if the drug price and dispensing fee falls below the plan copay.

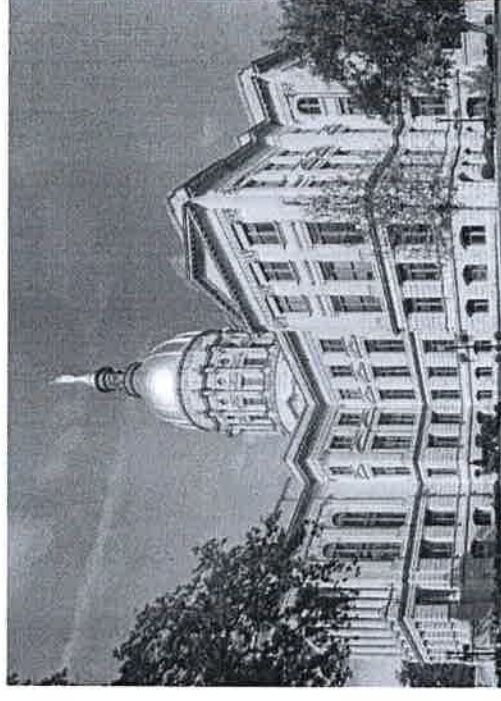
Examples

NADAC Drug Cost: \$3.00, Dispensing Fee (DF)*: \$10.50, Plan Copay: \$20

➤ Member will pay \$3.00 + \$10.50 DF= \$13.50

NADAC Drug Cost: \$14.00, Dispensing Fee: \$10.50, Plan Copay: \$20

➤ Member will only pay \$20 copay



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Legislative Updates

Consumer Choice HSA

- Breast Cancer Screening – Diagnostic screenings will now bypass the deductible and pay at 100% like other plans.

All plans

- Additional codes for diagnostic breast cancer screening to pay at 100% - Imaging and Biopsy codes

One Big Beautiful Bill Act (OB3) included allowances

- HDHP HSA access to telehealth services before meeting their deductible without jeopardizing their HSA eligibility
- Increase the Dependent care FSA limit from \$5,000 to \$7,500 (\$3,750 if married filing separately)

Open and Annual Enrollment Schedule



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Open Enrollment Key Dates

Pre-65 Retirees

September 24	Open Enrollment website and Comparison Guide available online
October 17	High-impact Email #3, 4 — Open Enrollment is coming (active and pre-65 retiree groups)
October 21	Open Enrollment kits start mailing to homes (active and pre-65 retiree groups)
October 27	High-impact Email # 6 — Open Enrollment begins (active and pre-65 retiree groups)
October 29	Live online Open Enrollment education session (pre-65 retiree group)
November 1	High-impact Email #8 — Reminder to enroll (active and pre-65 retiree groups)
November 6	High-impact Email #10 — Open Enrollment ends soon (active and pre-65 retiree groups)
November 7	Open Enrollment ends

Pre-65 Retiree Rates – 2025 and 2026

Board of Regents of the University System of Georgia 2025/2026 Retiree Member Rates

Coverage Tier	2025 Monthly Retiree Rates				2026 Monthly Retiree Rates			
	Consumer Choice HSA	Comp. Care	BlueChoice HMO	Kaiser HMO	Consumer Choice HSA	Comp. Care	BlueChoice HMO	Kaiser HMO
Non-Medicare Retiree only	\$97.72	\$220.00	\$273.78	\$206.16	\$105.14	\$232.96	\$285.94	\$218.50
Non-Medicare Spouse only	\$144.60	\$279.14	\$338.30	\$255.32	\$163.38	\$303.98	\$362.26	\$279.90
Child(ren) only	\$109.98	\$207.82	\$250.84	\$189.40	\$125.02	\$227.28	\$269.66	\$208.70
Non-Medicare Retiree + Child(ren)	\$207.70	\$427.82	\$524.62	\$395.56	\$230.16	\$460.24	\$555.60	\$427.20
Non-Medicare Spouse + Child(ren)	\$254.58	\$486.96	\$589.14	\$444.72	\$288.40	\$531.26	\$631.92	\$488.60
Non-Medicare Retiree + Non-Medicare Spouse	\$242.32	\$499.14	\$612.08	\$461.48	\$268.52	\$536.94	\$648.20	\$498.40
Family (Non-Medicare Retiree + Non-Medicare Spouse + Child(ren))	\$346.18	\$713.04	\$874.38	\$659.26	\$383.60	\$767.06	\$926.00	\$712.00
Pre-65 Medicare Retiree or Pre-65 Medicare Spouse or Medicare Child Only 26+	\$97.72	\$192.50	\$273.78	\$163.36	\$105.14	\$203.84	\$285.94	\$173.14
Pre-65 Medicare Retiree or Pre-65 Medicare Spouse + Child(ren)	\$207.70	\$400.32	\$524.62	\$352.76	\$230.16	\$431.12	\$555.60	\$381.84
Non-Medicare Retiree + Pre-65 Medicare Spouse	\$195.44	\$412.50	\$547.56	\$369.52	\$210.28	\$436.80	\$571.88	\$391.64
Pre-65 Medicare Retiree + Pre-65 Medicare Spouse	\$195.44	\$385.00	\$547.56	\$326.72	\$210.28	\$407.68	\$571.88	\$346.28
Pre-65 Medicare Retiree + Non-Medicare Spouse	\$242.32	\$471.64	\$612.08	\$418.68	\$268.52	\$507.82	\$648.20	\$453.04
Family (Non-Medicare Retiree + Pre-65 Medicare Spouse + Child(ren))	\$305.42	\$620.32	\$798.40	\$558.92	\$335.30	\$664.08	\$841.54	\$600.34
Family (Pre-65 Medicare Retiree + Non-Medicare Spouse + Child(ren))	\$352.30	\$679.46	\$862.92	\$608.08	\$383.60	\$735.10	\$917.86	\$661.74
Family (Pre-65 Medicare Retiree and Pre-65 Medicare Spouse + Child(ren))	\$305.42	\$592.82	\$798.40	\$516.12	\$335.30	\$634.96	\$841.54	\$554.98
Pre-65 Medicare Retiree or Pre-65 Medicare Spouse + Child(ren)	\$207.70	\$400.32	\$524.62	\$352.76	\$230.16	\$431.12	\$555.60	\$381.84



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Open Enrollment Key Dates

Post-65 Retirees

October 1	Medicare carriers must notify retirees of plan changes
October 15	Medicare Open Enrollment begins ARHS Plan Cancellation Letters mail 2026 Plan Information available
October 19	Post-65 Benefits (Life Insurance Only) Letter mailed
December 7	Medicare OE 2025 ends (Medicare Advantage and prescription)
December 11	ARHS -HRA Education Session #1
December 31	Medicare Supplement deadline for coverage to be effective January 1, 2026
January 7	ARHS - HRA Education Session #2

USG Dental, Vision and Life Insurance
USG Open Enrollment October 27 – November 7, 2025



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Communication to opt into Retiree Organizations



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USG Retirees Opting into Retiree Associations

Email Campaign - Request to Join the Retiree Association

Proposed Approach:

- USG will share a distribution request email with Institutions
- The proposed message to retirees will be included for distribution, effectively as a request asking retirees if they would like to opt in/join their institutions retiree associations.
- Alight sends a list of Retiree with an email on file to institutions for use in emailing the message



Thank You!

