



2026 Medical Plan Projections

September 9, 2025

Executive Summary



- Dakota County has been self-insured since 2013.
- Overall rate increase for 2026 is 8.9% (average across the three plan options).
- Enrollment in the Select and HSA plans has slightly increased from 2018.
- The Dakota Advantage medical plan continues to have the majority of the enrollment.

Claims Projections



- Used claims incurred 1/1/2023 – 5/31/2025 and paid through 5/31/2025 (mix of claims experience under UMR and BCBS MN).
- There were 7 claims above the \$450,000 individual stop loss level during the experience periods (4 in 2023, and 3 in 2024).
- The change to BCBS MN for 2025 will produce an estimated 1% cost decrease due to the combination of improved discounts, network access, pharmacy rebates, and administrative fees (before any claims trend assumption).
- Claims were projected forward assuming a blended 8.75% annual trend for medical and pharmacy.
 - Based on market surveys, actuarial estimates, and County experience

Fixed Costs and Rebates



- Fees for HRA, HSA, and FSA account administration remain unchanged from 2025.
- Premiums for Individual stop loss coverage and Aggregate stop loss reflect a 10.1% increase over 2025, which is significantly lower than current market renewals for similar stop-loss levels (22%).
- Estimated Pharmacy rebates for 2026 on a PEPM basis increased approximately 11% over 2025 levels.

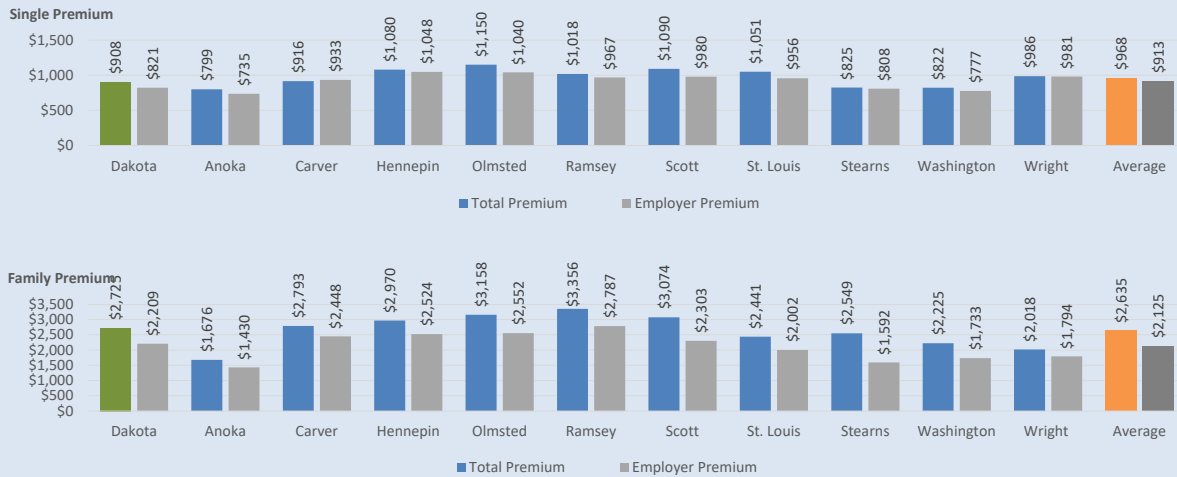
2026 Medical Plan Rates



Advantage 11.0%
HSA 0.0%
Select 8.5%

	2025 Medical Premiums				2026 Medical Premiums				
	Total Monthly	County Monthly	EE Monthly	EE Per Pay Period	Total Monthly	County Monthly	EE Monthly	EE Per Pay Period	Add'l Employee Cost Per Pay Period
Dakota Advantage									
Single	\$993.80	\$894.42	\$99.38	\$49.69	\$1,103.12	\$992.81	\$110.31	\$55.16	\$5.47
Single + 1	\$2,186.35	\$1,858.40	\$327.95	\$163.98	\$2,426.85	\$2,062.82	\$364.02	\$182.01	\$18.04
Family	\$2,981.42	\$2,385.14	\$596.28	\$298.14	\$3,309.38	\$2,647.51	\$661.87	\$330.94	\$32.80
Dakota HSA									
Single	\$726.68	\$662.58	\$64.10	\$32.05	\$726.68	\$662.58	\$64.10	\$32.05	\$0.00
Single + 1	\$1,598.71	\$1,430.42	\$168.29	\$84.15	\$1,598.71	\$1,430.42	\$168.29	\$84.15	\$0.00
Family	\$2,180.06	\$1,835.85	\$344.21	\$172.11	\$2,180.06	\$1,835.85	\$344.21	\$172.11	\$0.00
Dakota Select									
Single	\$843.03	\$767.15	\$75.88	\$37.94	\$914.69	\$832.36	\$82.33	\$41.16	\$3.22
Single + 1	\$1,854.66	\$1,616.86	\$237.80	\$118.90	\$2,012.31	\$1,754.29	\$258.01	\$129.01	\$10.11
Family	\$2,529.09	\$2,075.15	\$453.94	\$226.97	\$2,744.06	\$2,251.54	\$492.52	\$246.26	\$19.29

2025 Premium Benchmarks



Charts show weighted average premiums for all plans offered by each county

History of Rate Increases



Year	Advantage	HSA	Select
2016	0.0%	0.0%	
2017	2.8%	2.8%	
2018	8.0%	4.0%	New
2019	9.7%	7.5%	8.9%
2020	9.9%	6.0%	7.0%
2021	5.4%	0.0%	2.0%
2022	5.0%	0.0%	2.0%
2023	6.5%	4.0%	4.9%
2024	7.5%	3.5%	4.5%
2025	8.6%	8.6%	8.6%
2026	11.0%	0.0%	8.5%
10-Year Average	7.4%	3.6%	5.8%