Alpena County Library

Group Health Renewal Executive Summary

Effective Date: January 1st, 2027

Final Recommendations:

To preserve a benefit structure that is very similar to the current plan while mitigating the renewal increase, I recommend moving to **PriorityHMO Gold G15** effective **January 1, 2027**. This option maintains a traditional copay-based plan design that employees are already familiar with while still generating premium savings compared to the current coverage.

If the board is prioritizing maximum cost savings and willing to adopt a higher-deductible, HSA-qualified plan design, the **BCN HSA Gold Option 3** remains a strong alternative. This option delivers the greatest premium reduction and provides an opportunity for the employer to offset deductible exposure through Health Savings Account contributions if desired.

With either medical option, I recommend upgrading vision coverage from **Blue Vision 24/24/24 $5/$10** to **Blue Vision 12/12/24 $5/$10**. This enhancement allows members to receive an eye exam every calendar year instead of every two years while increasing the group premium by only **$8.64 per month** (**$103.68 annually**) for the entire group.

In addition, I recommend maintaining the Library's existing Delta Dental coverage. Combined with the recommended medical and vision strategy, this approach preserves the group's dental benefits while focusing plan changes only where meaningful savings or improved value can be achieved.

IMPORTANT NOTE: 2027 Q1 rates are not available yet; this proposal is based on 2026 Q4 rates. Final numbers for January, 2027 are subject to change.

Executive Overview

Alpena County Library is currently enrolled in 2026 BCN Gold Option 3. The current medical premium is $5,885.06 per month, excluding Jessica Luther. Renewing the same medical plan (based on 2026 Q4 rates) would increase the monthly premium to $6,435.98, an increase of $550.92 per month or 9.4% over the current medical premium. Please note that final January, 2027 rates are expected to be approximately 2-4% higher than the Q4 rates used in this analysis.

Medical Plan Comparison

Plan	Monthly Premium	Annual Premium	Monthly Change vs Current	Annual Change vs Current	Recommendation
Current: 2026 BCN Gold Option 3	$5,885.06	$70,620.72	Baseline	Baseline	Current plan

Plan	Monthly Premium	Annual Premium	Monthly Change vs Current	Annual Change vs Current	Recommendation
Renewal: 2026 BCN Gold Option 3	$6,435.98	$77,231.76	$550.92	$6,611.04	Projected increase may exceed 10%
Recommended: PriorityHMO Gold G15	$5,780.31	$69,363.72	-$104.75	-$1,257.00	Primary recommendation
Secondary Option: 2026 BCN HSA Gold Option 3	$5,561.40	$66,736.80	-$323.66	-$3,883.92	Secondary option

Recommended Medical Plan

Traditional copay-based plan design that is easier for employees to understand and use.

Medical premium savings of $104.75 per month and $1,257.00 annually compared with the current medical plan.

Savings of $655.67 per month and $7,868.04 annually compared with accepting the BCN renewal.

Avoids requiring employees to move into a higher-deductible, HSA-qualified structure.

Balances premium savings with a benefit structure that is more consistent with the group's current coverage experience.

Vision Recommendation

Recommendation: upgrade from Blue Vision 24/24/24 $5/$10 to Blue Vision 12/12/24 $5/$10. The current 24/24/24 option provides adult eye exams every 2 calendar years. The 12/12/24 option improves eye exam frequency to every calendar year while keeping frames every 2 calendar years.

Vision Option	Exam Frequency	Frame Frequency	Monthly Premium	Annual Premium	Change vs Current Vision
Current: Blue Vision 24/24/24 $5/$10	Every 2 calendar years	Every 2 calendar years	$27.45	$329.40	Baseline
Recommended: Blue Vision 12/12/24 $5/$10	Every calendar year	Every 2 calendar years	$36.09	$433.08	+$8.64 per month

Why upgrade vision: The additional cost is only $8.64 per month, or $103.68 annually, for the entire group. This is a small premium increase for a more employee-friendly vision plan that supports annual preventive eye exams.

Recommended Package Impact

Package	Medical Premium	Vision Premium	Total Monthly	Total Annual
Current medical + current vision	$5,885.06	$27.45	$5,912.51	$70,950.12
Recommended medical + upgraded vision	$5,780.31	$36.09	$5,816.40	$69,796.80
Net savings	-$104.75	+$8.64	-$96.11	-$1,153.32

Overall Recommendation

Adopt PriorityHMO Gold G15 and upgrade to Blue Vision 12/12/24 $5/$10. The combined recommendation is projected to reduce total monthly premium by $96.11, or $1,153.32 annually, compared with the current medical plus current vision arrangement while improving vision exam frequency and preserving a familiar copay-based medical design.

Secondary Option

2026 BCN HSA Gold Option 3 remains the recommended secondary medical option if the group is prioritizing maximum premium savings and is comfortable moving to an HSA-qualified plan design. This plan is $323.66 lower per month than the current medical plan, or $3,883.92 annually. It produces more premium savings than the recommended PriorityHMO option but requires employees to move into a higher-deductible structure, which may be less familiar than the current copay-based arrangement.

Additional Consideration

If the Board determines that the current benefit design continues to meet the needs of employees, Alpena County Library may choose to retain the existing coverage and simply appoint Alpena Agency as Agent of Record (AOR). This option would provide access to Alpena Agency's ongoing service, renewal strategy, carrier support, employee communication assistance, and annual market review process without requiring an immediate change in coverage.

Please don’t hesitate to contact me with any questions.

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