



TITLE: 2025-2026 Employee Health Insurance Renewal

RECOMMENDED ACTION:

By Motion: The Board of Directors approves the 2025 – 2026 employee health insurance renewals and contribution schedule as indicated in Exhibit A: 2025-2026 Employee Health Insurance Schedule.

BACKGROUND:

Tahoe Donner offers a competitive benefits package for full-time, year-round employees, including medical, dental, and vision insurance, life insurance, long-term disability coverage, a flexible spending account, retirement and investment benefits, and an employee assistance program (EAP). TDA's employee health insurance plans run from October 1 to September 30, with the current health benefit plans expiring on September 30, 2025.

Current Health Benefit Plan Carriers:

Medical – Blue Shield

Dental – Guardian

Vision – VSP

Life Insurance/AD&D and Long-Term Disability– Lincoln Financial

This marks the tenth renewal period for Tahoe Donner's obligation, as a large employer, to provide medical insurance to full-time equivalent (FTE) employees as required by the Affordable Care Act (ACA). This is in addition to the health benefits we already offer to full-time, year-round employees. Based on the latest look-back period (August 1, 2024 – July 31, 2025), there are 105 FTEs eligible for insurance under the ACA for the 2024-2025 period. Currently, 80 employees are enrolled in medical benefits.

This staff report has been prepared for the Board of Directors to consider approval of the recommended 2025/2026 Employee Health Insurance Renewal.

DISCUSSION:

Tahoe Donner works with Hendricks and Associates, its employee benefits insurance broker, to secure competitive renewal pricing. This year, the renewal goals focused on cost control while ensuring that the benefits package remains competitive with those offered by other employers in the region.

Additionally, the aim was to provide a variety of medical plans to address the individual needs of employees. The proposed negotiated rates are modest and generally lower than the average increases experienced by other companies of similar size.



This year's renewal package includes,

MEDICAL – Blue Shield No change to plan offerings; Proposed premium increase is Net 8.5%

- Full PPO
- Tandem PPO: The second plan is a Tandem PPO, which offers the same coverage as the Full PPO. The only difference is that it provides access to only 8 of the 12 in-network doctors and does not include access to the Sutter Health System. All other coverage remains the same as the Full PPO, including the availability of 27 out of 27 network specialists in the area.
- Health Savings Account: This third plan is a low-cost, high-deductible Health Savings Account (HSA). The benefit of this HSA is that employees have access to a more basic plan compared to the more comprehensive options.

DENTAL – Blue Shield No change to plan offering; Renews 10/1/2026

VISION – VSP Proposed plan offering to include buy-up option; Base plan renews 10/1/2026. The buy-up option would be renewed 10/1/2027 if approved. The buy-up plan would be offered to employees who have more vision-related claims and needs, with the difference to be paid 100% by the subscribing employee.

LIFE INSURANCE/AD&D, LONG-TERM DISABILITY – Liberty No change to plan offering; Proposed premium increase is 2.69%

- No Change: Basic Life/AD&D \$25,000
- No Change: Long Term Disability

The proposal before the board includes consideration of continuing benefit plans offered and the employer/employee contribution mix to remain the same.

- Medical – TDA will contribute equal to 90% of the premium value of the Blue Shield Full PPO
- Dental – 75% of the premium value TDA contribution
- Vision – 75% of the premium value TDA contribution
- Basic Life/AD&D with a limit of \$25,000 100% TDA contribution

The recommended board action is as follows:

By Motion:

By Motion: The Board of Directors approves the 2025 – 2026 employee health insurance renewals and contribution schedule as indicated in Exhibit A: 2025-2026 Employee Health Insurance Schedule.

OUTREACH:

Hendricks and Associates has engaged with all plan operators to negotiate minimal year-over-year increases.

**FISCAL IMPACT:**

Health insurance premiums will increase by an estimated \$160,577.72 (8.4%) compared to last year, based on current employee subscriber information. The proposed increase to estimated premium expense is included in the 2025/2026 Operating Budget Draft.

ATTACHMENTS:

Exhibit A: Proposed 2025-2026 Employee Health Insurance Schedule

Prepared by: Mike Edmonds, Human Resources Manager

Reviewed by: Jason Hajduk-Dorworth, Director of Administrative Services

Reviewed by: Annie Rosenfeld, General Manager

Board of Directors Meeting: 08/29/2025