Hall County 2027 Healthgram Renewal Overview

Healthgram has delivered its firm 2027 renewal for Hall County's self-funded health plan. Administration fees stay flat, the County moves to Cigna's national network, and stop loss rises 60% at the rate cap after a second consecutive high-claims year.

Healthgram Administration Fees

Healthgram's administration fees of **$38.10 per employee per month (PEPM)** will remain unchanged for 2027. This is the final year of the County's three-year rate guarantee. Based on current enrollment of 1,426 employees, the annual cost is estimated at **$651,967**.

Other Administration and Network Change

The move from the Health Partners / PHCS network to Cigna's OAP network gives the County access to a **national network**, and we expect it to be **roughly cost neutral**. Other administration fees increase from $15.95 PEPM ($272,936 annually) to $31.45 PEPM ($538,172 annually), an increase of $265,236.

That increase is not a true cost increase. PHCS network fees were billed through claims rather than as a fixed fee, and they totaled **$465,952** over the last 12 months. In addition, Cigna will waive all network access fees for January 2027, saving about $25,668.

	Current (PHCS)	2027 (Cigna OAP)
Fixed other administration fees	$272,936	$538,172
January 2027 Cigna fee holiday	$0	($25,668)
Network fees paid through claims	$465,952	Variable (pay-for-performance fees)
Total before Cigna pay-for-performance fees	**$738,888**	**$512,504**

Cigna also charges pay-for-performance claim fees that are billed through claims and vary from year to year. Once those fees are included, we estimate the network change will be roughly cost neutral.

Stop Loss

After another high-claims year, the stop loss carrier (HM) has applied the 60% rate cap. At the current $300,000 deductible, annual stop loss premium increases from **$2,279,653 to $3,647,222**. The contract also moves from 36/12 to 48/12.

Claims have far exceeded premium in each of the last two years:

Plan year	ISL deductible	Premium paid	Stop loss reimbursements	Loss ratio
2026 (9 months to date)	$300,000	$1,709,740	$2,866,077	168%
2025	$280,000	$1,527,480	$4,979,160	326%

Three months of 2026 claims are still to come, so the 2026 figures will continue to rise.

The carrier will only offer the 60% rate cap for 2028 if the County accepts a laser. The laser is set at $625,000 for one member. The County would be responsible for the difference between the deductible and the laser, up to $325,000 depending on the deductible selected. Both options below include the laser along with the 2028 rate cap and no-new-laser protection. Options without the laser are available, but they carry no rate cap for 2028.

Option	Deductible	Laser liability	2028 rate cap	Stop loss premium	Total expected annual cost
Current	$300,000	$0	Yes; 60%	$2,279,653	$3,204,557
Renewal	$300,000	$325,000	Yes; 60%	$3,647,222	$5,162,361
Recommended	**$325,000**	**$300,000**	**Yes; 60%**	**$3,339,083**	**$4,829,222**

Total expected annual cost includes Healthgram administration, other administration, stop loss premium and the maximum laser liability.

Healthgram marketed the stop loss to its preferred carriers (Crum & Forster, QBE and HCC), and all three declined to quote. We also marketed to ATS, ECU, Symetra, Voya and Wellpoint, and all five declined. At this time, HM is the only carrier willing to offer coverage.

Recommendation

We recommend: $325,000 deductible with the laser. Compared with the Renewal, it lowers the total expected annual cost by $333,139, from $5,162,361 to $4,829,222, and reduces the maximum laser liability by $25,000. It also keeps the 60% rate cap and no-new-laser protection for 2028. With HM the only carrier willing to quote, that protection limits the County's exposure if claims remain high. The trade-off is that the County pays up to $25,000 more on each individual claim that exceeds the deductible.

Decision Deadline

The renewal rates are firm through Nov 16, 2026. The County must select a stop loss option by that date to secure coverage without the renewal being re-reviewed with October claims.