

NLC NATIONAL LEAGUE OF CITIES

RISC RISK INFORMATION SHARING CONSORTIUM

LOWER PREMIUMS, STRONGER BUDGETS: COST-SAVING APPROACHES FOR CITIES & TOWNS

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October 27 | 1:30 - 2:30 p.m.

Lower Premiums, **Stronger Budgets**

COST SAVING APPROACHES FOR CITIES AND TOWNS

Cost of Healthcare is Soaring

- Inflation
- Higher Utilization
- Chronic Disease Rates
- Prescription Drugs
- Aging Population
- No Suprise Act
- Dispensing Fees

Hidden Costs of Health Coverage

- Administrative Fees
- Beholden to Investors & Executive Pay
- Lack of Claims Management
- Broker fees
- ROI on wellness

MUNICIPAL HEALTH

- Coverage built for cities and towns, guided by cities and towns
- Public service focused, not profit driven
- No Administrative Fees – access to network, claims adjudication, enrollment platform and COBRA administration at no cost

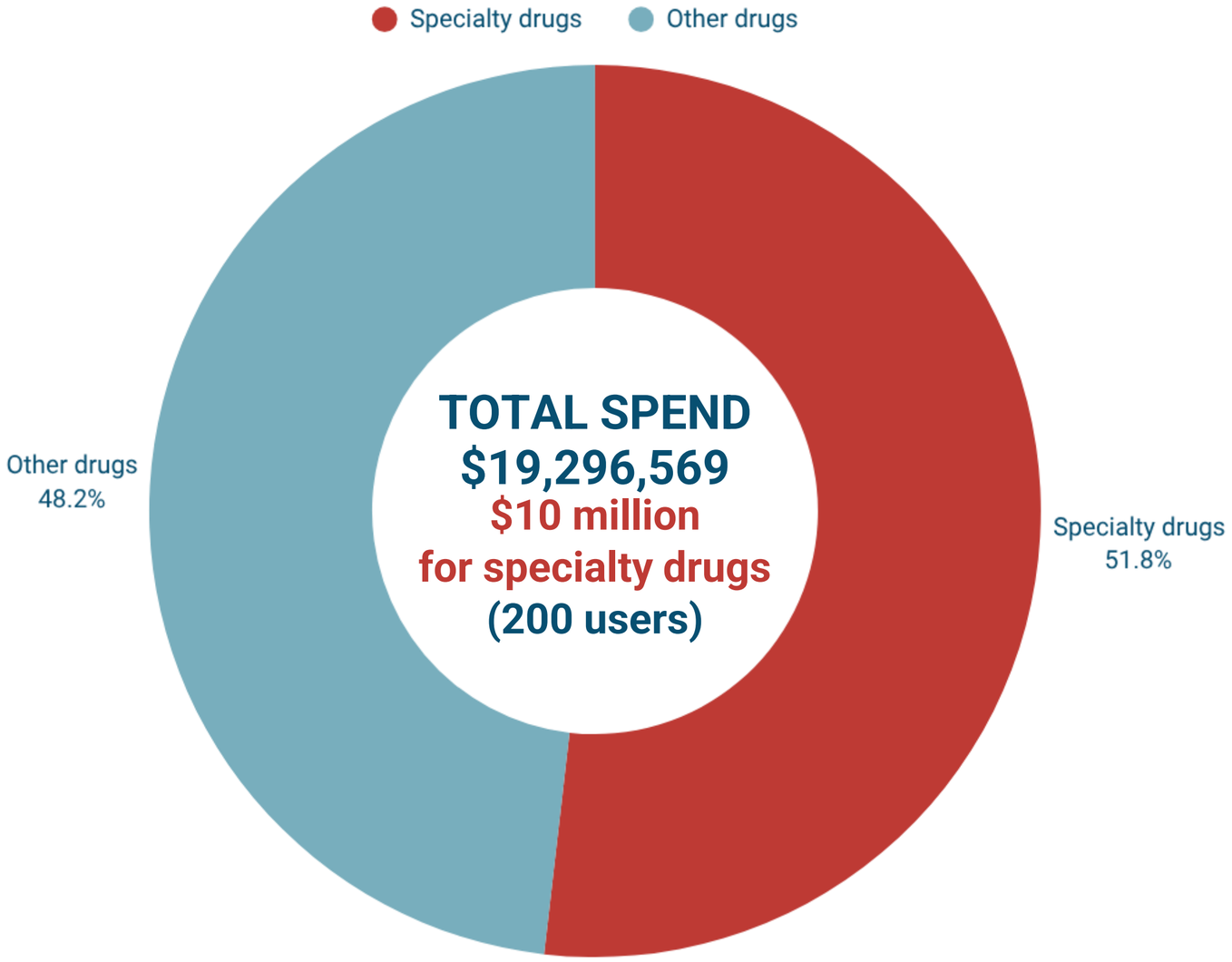
Claims Review & Management

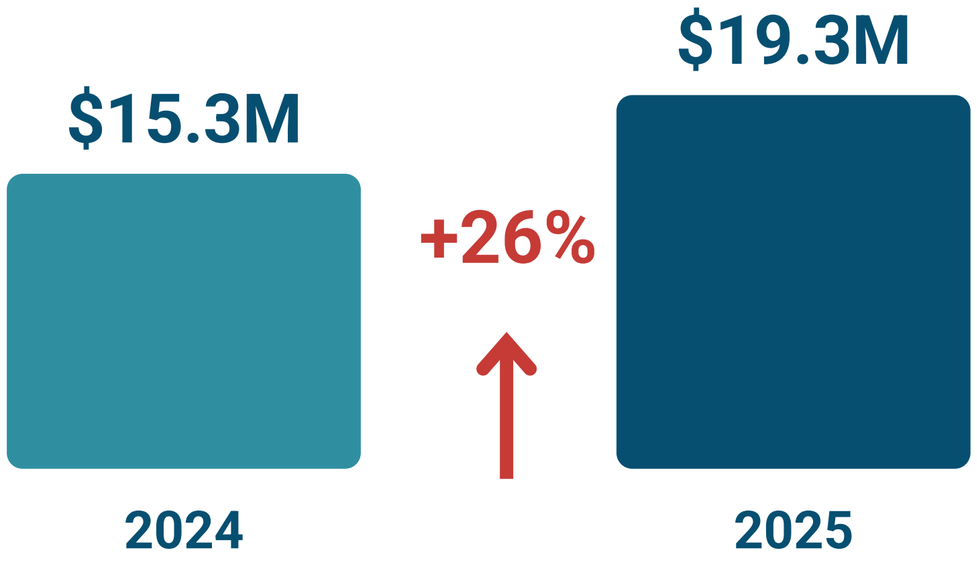
- Reviews all claims over 10K
- Additional savings of $1million/month ($12 million in 2025)
- No incentive for other carriers to review claims

The War on Drugs

- 2025 Plan Paid PMPM is $119.46 vs. Benchmark PMPM of $196.86
- Aggressive rebate strategy – $89.03 PMPM
- Drug Spend was $20 mil./17% total spend in 2025

In 2025, Drug Spend was $19.2M up 26% from 2024
51.8% was spent on specialty drugs for 1.25% MH members





+$4.0M year over 1 year

The War on Drugs

- Staying ahead of pharmacy trends
- No GLP1s for weight loss
- Changed to Stephens Insurance in 2026, specialty carve out
- 2026 Plan Paid PMPM is $97 vs. Benchmark PMPM of $196
- Aggressive rebate strategy – $72 PMPM

Network Price Negotiation

Olmesartan 40mg #90 at Walmart

2025: **$308.68 per claim**

Member: **$30**

Plan: **$278.68**

2026: **$14.04 per claim**

Member: **$14.04**

Plan: **$0**

Atorvastatin 10mg #90 at Walmart

2025: **$66.25 per claim**

Member: **$30**

Plan: **$36.25**

2026: **$5.52 per claim**

Member: **$5.52**

Plan: **$0**

Specialty Management

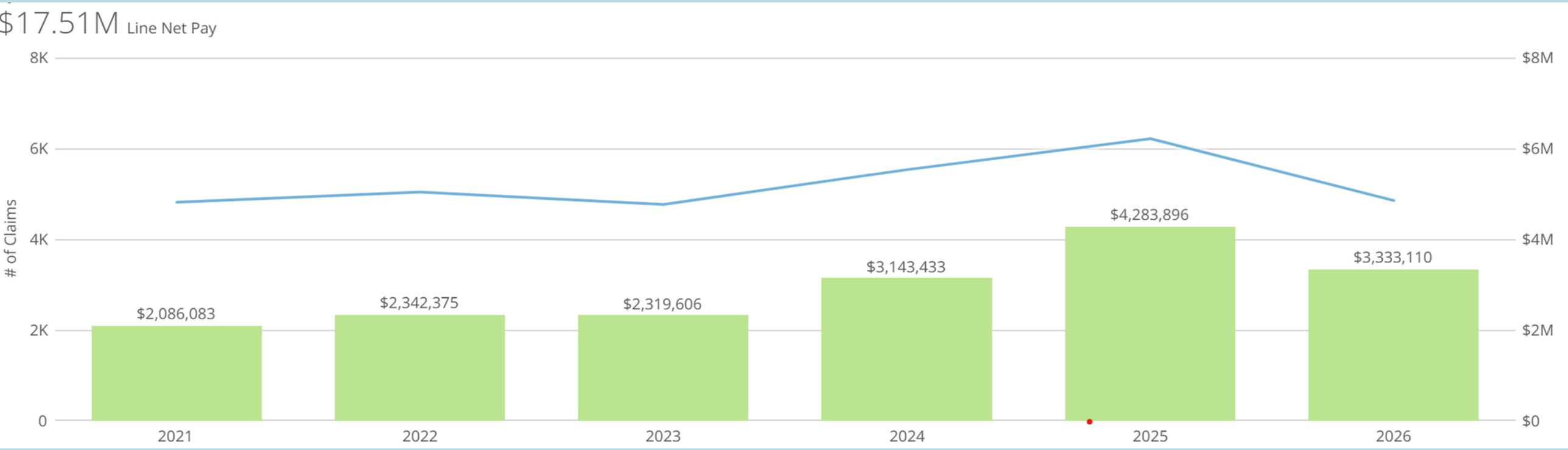
- Patient Assistance Program
- 340B
- Saved $3.2M thrugh August ‘26
- Developing our own program

Rule 128

- Mandates dispensing fee of $10.50/fill
- Potential $2 million impact
- Working with AID on fair reimbursement to indepednent pharmacies

Stand Alone Emergency Room

Not in network, subject to No Surprise Act



	Cabot Emergency	UNITY	BAPTIST
ER Visit	$4,594	$1,631	
CT Scan	$11,837	$5,157	
Case Rate			$2,721

New IDR Process?

- Working with other self-funded plans in Arkansas
- Create state regulated IDR process and cap awards at 250% of Medicare

Wellness that Works

- Covered at no cost to member (no deductible, copay, coinsurance)
- Annual wellness exams and well-baby/child visits, annual mammograms, colorectal exams, vaccines, etc., early disease detection

More to come...

- Small Group Pools
- Diabetes Management
- Narrow Networks?

TAP

TRAUMA ASSISTANCE PROGRAM

-Support for Arkansas First Responders-

MENTAL HEALTH MATTERS

- Recent law requires cities and towns to address first responder trauma
- AML program allows 12 visits/keeps it confidential
- Poor mental health impacts bottom line

QUESTIONS?

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