



## Updates from the June PEEHIP Board of Control Meeting

### Humana to Administer PEEHIP's Medicare Plans Beginning January 1, 2026

**A**s explained in detail in last year's July 2024 *PEEHIP Advisor*, due to highly impactful federal changes in 2024, PEEHIP entered into a 1-year contract with UnitedHealthcare® for the 2025 calendar year to administer its Group Medicare Advantage and Prescription Drug (MAPD) plan. **For 2026, PEEHIP will partner with Humana to administer its Medicare plans.**

New funding models have shifted the availability of federal funding to different plan structures than in previous years, causing standalone Part D (Medicare Drug) plans to have access to additional federal dollars than when bundled as part of a MAPD. **Therefore, PEEHIP pursued a split contract arrangement to award its Medicare Advantage Hospital Medical plan separately from its Medicare Part D plan.** These contracts were solicited via request for proposal (RFP), and both RFPs resulted in Humana offering the overall highest score amongst the competing proposals. This means that PEEHIP's Medicare members will be receiving information from Humana welcoming them to the plans that will begin January 1, 2026. **Members will have a separate Humana Medicare Hospital Medical card from their Humana Medicare prescription drug card.** As explained above, this is because of the split contract arrangement, just like with PEEHIP's non-Medicare membership which has hospital medical benefits contracted separately from prescription drug benefits.

Pursuant to Alabama law, PEEHIP must procure new contracts via RFPs for its professional services at least every 3 years. However, the Alabama Legislature and Governor

Ivey thankfully passed and signed a new law this year which allows PEEHIP to have contracts for its Medicare plans up to 5 years. This provides an opportunity for improved negotiation unique to Medicare plans because administrators of Medicare plans are continuously trying to capture additional federal funding that improves year over year throughout the contract term.

For the Hospital Medical Medicare Advantage contract, PEEHIP and Humana will enter into a 3-year term with 2 additional optional years for renewals beyond the initial 3 years. For the prescription drug (Part D) contract, PEEHIP will enter into a 1-year term with 4 additional optional years for renewals beyond the initial year. The reason the prescription drug term is only 1 year is that there remains much uncertainty in the market about the impact to drug pricing over next few years from potential additional federal regulation on prescription drugs. Therefore, until there is much more certainty around bottom-line drug pricing, it is in the best interest of PEEHIP to reevaluate year by year for renewal or potentially issue another Part D RFP.

**There will be no changes in 2026 to PEEHIP Medicare members' out-of-pocket costs as a result of this change.** Please watch for much more information from both PEEHIP and Humana about your upcoming benefits. PEEHIP is thankful for the exceptional service provided by UnitedHealthcare® to our membership over the previous contract term and is hopeful to receive competitive offers from UnitedHealthcare® in future contract procurements. At the same time, PEEHIP is highly pleased to partner again with Humana, who will also offer exemplary service to PEEHIP Medicare members just as they have in the past.

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## Results of Additional RFPs

The remaining RFPs resulted in the current partners scoring the overall highest proposals so that PEEHIP will not change administrators for these contracts. These will be 3-year terms beginning October 1, 2025. Below are the specific results:

- Hospital Medical – Blue Cross Blue Shield of Alabama
- Prescription Drug – not due for RFP at this time
- Optional Plans – Southland Benefit Solutions
- Flexible Spending Accounts – Blue Cross Blue Shield of Alabama with HealthEquity

## Plan Changes Effective October 1, 2025

These amounts follow annual indexing of the Affordable Care Act (ACA). PEEHIP implements the full ACA indexed amounts each year under established Board policy.

- **Maximum Annual Out-of-Pocket Amounts:** The combined medical and prescription drug in-network maximum annual out-of-pocket amounts will decrease to \$10,150 per individual and \$20,300 per family for calendar year 2026. This is an enhanced benefit for members enrolled in PEEHIP’s Group #14000 Hospital Medical Plan as they will pay no more than these annual out-of-pocket amounts.
- **Supplemental Hospital Medical Maximums:** The annual maximum amount of claims paid under Group #61000 will increase to \$10,150 per individual and \$20,300 per family for calendar year 2026.
- **Supplemental Hospital Medical Maximum Allowing Primary Coverage Deductible:** Members enrolled in High Deductible Health Plans (HDHP) are not eligible for the PEEHIP Supplemental Medical Plan. The IRS defines the minimum deductibles for HDHPs for calendar year 2026 as \$1,700 for individual and \$3,400 for family. You must provide a copy of your primary plan document for verification of the deductibles.
- **Flexible Spending Accounts (FSA and DCRA):** The annual maximum Health FSA contribution amount will be \$3,300 for the fiscal year beginning October 1, 2025. The Dependent Care Reimbursement Account

(DCRA) annual maximum contribution remains \$5,000 (\$2,500 each if married filing separately). The carryover limit for the Health FSA will increase to \$660.

- **No changes to VIVA Health Plan Benefits.**

## Annual Adjustments to Retiree Sliding Scale

For members who retired on or after October 1, 2005, PEEHIP premiums are calculated pursuant to the Sliding Scale law, Ala. Code §16-25A-8.1. Starting with the base premium as set by the PEEHIP Board, the base premium is adjusted by applying a formula based upon the cost of healthcare to the plan and using a member’s specific age and years of service at retirement. Per the law, this premium is subject to change each year. To calculate or review a premium, a retiree premium calculator is available at [rsa-al.gov/peehip/calculators/](https://rsa-al.gov/peehip/calculators/). For more information about the Sliding Scale law and how retiree premiums are calculated under this law, see the dedicated Sliding Scale pages with examples at [rsa-al.gov/peehip](https://rsa-al.gov/peehip). The information can be found on the active members & non-Medicare-eligible page and the Medicare-eligible page. The PEEHIP retiree premium calculators will be updated prior to October 1, 2025. Additionally, new members applying for retirement are now provided a PEEHIP premium estimate letter along with an explanation of how the Sliding Scale applies to them. Lastly, in September of this year, PEEHIP will provide additional information to members impacted by the Sliding Scale prior to any resulting changes to their premium effective October 1, 2025.

## Annual Adjustments to COBRA, LOA, and Surviving Spouses

As mandated by federal COBRA law and Ala. Code §16-25A-8(e), related to Surviving Spouses paying the cost of their coverage, each plan year there may be either some increases or some decreases to these rates as shown below in the monthly premiums.

COBRA and LOA	FY2025	FY2026	Increase
Individual	\$598	\$644	\$46
Family	\$1,514	\$1,617	\$103
Supplemental	\$185	\$198	\$13
Surviving Spouse	FY2025	FY2026	Increase
SS < 65	\$1,001	\$1,014	\$13
SS < 65 with Dependent < 65	\$1,586	\$1,715	\$129
SS < 65 with Dependent > 65	\$1,367	\$1,380	\$13
SS > 65	\$260	\$260	\$0
SS > 65 with Dependent < 65	\$1,091	\$1,207	\$116
SS > 65 with Dependent > 65	\$520	\$520	\$0

# FY2026 Employer Contribution Amount

PEEHIP participating employers contribute funds to PEEHIP based on their number of active employees. The Alabama Legislature sets the employer contribution amount per active employee, which will be \$904 for fiscal

year 2026 (starting October 1, 2025). This is an increase of \$104 from the prior year. This funding is used to cover the costs for all active and retired employees and their eligible dependents enrolled in PEEHIP coverage. ●

## Open Enrollment Has Begun!

PEEHIP's annual Open Enrollment period begins soon! This is the once-per-year opportunity for PEEHIP members to enroll in or change coverage, as well as add or drop eligible dependents from coverage. Outside of Open Enrollment, changes are only permissible due to a qualifying life event.

It is important for PEEHIP members to know that while PEEHIP is dedicated to providing members with many benefit options that promote health and well-being, PEEHIP members have the responsibility to take action to make educated choices during Open Enrollment to select the plan(s) that are best for them and their covered dependents. Visit PEEHIP's Member Online Services (MOS) website today at <https://mso.rsa-al.gov> to view your current coverages.

### Important Open Enrollment Dates

Open Enrollment begins July 1, 2025, and will end by the following deadlines:

- **Online:** Online Open Enrollment ends midnight **September 10, 2025**. After this time, online changes will not be accepted and the Open Enrollment link will be closed.
- **Paper:** Any paper Open Enrollment forms postmarked after **August 31, 2025**, will not be accepted, without exception.
- **Flexible Spending Accounts:** Both paper and online Open Enrollment for flex plans end **September 30, 2025**.
- **Effective Date of Coverage:** All Open Enrollment coverage elections approved by PEEHIP will become effective **October 1, 2025**.

### Open Enrollment Page

PEEHIP's Open Enrollment informational webpage can be found at [rsa-al.gov/peehip/open-enrollment](https://rsa-al.gov/peehip/open-enrollment). You can also navigate to this page from the main RSA page and clicking the PEEHIP link. This page allows you to find the information needed to make educated decisions about your health plan options. Included are deadlines, the updated PEEHIP Member Handbook with Open Enrollment changes effective October 1, 2025, and other information relating to Open Enrollment.

### Helpful Information

Open Enrollment information is published in the PEEHIP Member Handbook. Active and retired members can view or download a copy of the handbook from the PEEHIP Open Enrollment page.

**You do not need to do anything during Open Enrollment if you are satisfied with your current coverage.\*** If you take no action, you and your covered dependents will remain on your current plan(s).

**\*Exception:** If you want to renew your **Flexible Spending Accounts** or **Premium Assistance (PAA) Discount**, you must **reenroll each year** as these programs do not automatically renew. For more information about the Premium Assistance Program, visit [rsa-al.gov/peehip/premiums/premium-assistance-program](https://rsa-al.gov/peehip/premiums/premium-assistance-program).

### Did You Know?

Online enrollment is the preferred option because it is the easiest and most efficient method to enroll in or make changes to your coverage. No other enrollment method provides a confirmation page in real-time, giving you instant assurance PEEHIP has received your enrollment request.

### Open Enrollment Through MOS

1. Go to [mso.rsa-al.gov](https://mso.rsa-al.gov) and enter your self-selected User ID and Password. If you need to register or re-register to create a new User ID and Password, click **Need to register?**. You will need your PID number to register. Your PID can be found at the top right of paper correspondence from PEEHIP. If you do not know your PID, please click **Need a PID? (Request PID Letter)** for steps to have your PID mailed to you at your current mailing address on file with the RSA.
  - Forgot User ID and/or Password: Click **Forgot user ID or Password?** and follow the steps to reset your account.
2. Click **Enroll in or Change PEEHIP Coverages** on the home page or from the **PEEHIP Services** drop-down menu at the top of the page.
3. Click the **Open Enrollment** option and then follow the on-screen prompts until you receive your **confirmation page**.

### Don't Have Internet Access?

For members without internet access, you may request a printed Member Handbook or request a NEW ENROLLMENT AND STATUS CHANGE form to make Open Enrollment changes by calling RSA Member Services at 877.517.0020. ●



# Summary of Benefits and Coverage

## Availability of Summary Health Information

The Patient Protection and Affordable Care Act (PPACA) of 2010 created a federal requirement for group health plans to provide the Summary of Benefits and Coverage (SBC) form to health plan members during Open Enrollment. Health benefits represent a significant component of every employee's compensation package. The benefits also provide important protection for employees and their family in the case of illness or injury. PEEHIP offers health coverage options. Choosing a health coverage option is an important decision. To help you make an informed choice, PEEHIP makes available a Summary of Benefits and Coverage (SBC), which summarizes important information about health coverage options in

a standard format to help you compare across coverage options available to you in both the individual market and group health insurance coverage markets. The SBC is available on the PEEHIP web page at [rsa-al.gov/peehip/publications/#sbc](https://rsa-al.gov/peehip/publications/#sbc). A paper copy is also available, by calling Member Services at 877.517.0020. The SBC is meant as a summary only and the coverage examples in the SBC are for illustration purposes only and may not be representative of the actual charges for copayments or out-of-pocket expenses for the PEEHIP plan. For more detailed benefit information, see the PEEHIP Summary Plan Description (SPD) at [rsa-al.gov/peehip/publications/](https://rsa-al.gov/peehip/publications/). ●

## Medicare-Eligible PEEHIP Members

The information below pertains to Medicare-eligible PEEHIP retirees or Medicare-eligible dependents of PEEHIP retirees. For more information, visit [rsa-al.gov/peehip/retirees/](https://rsa-al.gov/peehip/retirees/).

### Be Supplement Smart

Declutter your medicine cabinet with a supplement review. If your medicine cabinet is bursting with supplements, you're not alone. About a quarter of Americans aged 60 and older take 4 or more every day, according to the Centers for Disease Control and Prevention. It seems there's always a new vitamin, mineral or herbal product claiming to improve health. Visit any grocery store or pharmacy and the shelves are full of them. Scroll through social media, and you'll see influencers talking about the latest pills or powder. It can feel overwhelming. If you take prescription medications, you need to be careful about the interactions between supplements and your prescribed drugs. Make sure you need or can benefit from supplements you take. Talk to your provider about the benefits and risks as well as the value. Americans spend as much as \$50 billion per year on vitamins and supplements, according to the *Journal of the American Medical Association*. However, there's little evidence of the effectiveness of supplements. Follow these tips to help streamline your supplement routine.

### Do a cabinet clear-out

Check expiration dates on labels and toss out old supplements. If they are expired, they have likely lost their nutritional value. To ensure your supplement trash doesn't cause pollution, dump it into a sealable plastic bag with used coffee grounds. This helps to break down the pills safely. The sealed bag can go in your household trash. Some pharmacies will take your old medications and supplements and dispose of them safely.

### Take stock

Make a list of all your supplements, including dosage and the time of day you take them. Bring the list of the products to an annual medication review with your primary care provider (PCP) to keep your health records up to

date. Be sure to share the list with all providers you see.

### Talk it over

Talk to your PCP about supplements you take or are considering — ideally before you buy. Your provider likely keeps up with the latest studies about supplements and will be able to give you advice. They can check for interactions with medications you already take.

### Shop around

Dietary supplements are regulated differently than prescription medications, according to the U.S. Food and Drug Administration. That's why it can be hard to verify if they're effective. Look for a United States Pharmacopeia (USP) verified mark on the label. Certain manufacturers put their products through the USP's rigorous safety testing process. (USP testing reviews products for contamination, not for effectiveness.) Your provider also can guide you through your options, from brands to dosages, to help find what's right for you.

### Organize for easy access

Consider keeping vitamins and other supplements together in an organizer or basket. Keep the bottles and containers away from heat, moisture and light. Some may need to be kept in the refrigerator. Make sure supplements stay out of reach of any visiting children.

If you have questions about your UnitedHealthcare® PEEHIP Group Medicare Advantage (PPO) Plan, visit [retiree.uhc.com/peehip](https://retiree.uhc.com/peehip) or call 877.298.2341, TTY 711, 8 a.m. – 8 p.m. CT, Monday – Friday.

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