



City of Gahanna

2026 Recommendations

OVERVIEW

In 2025, the City of Gahanna engaged our consulting team to support strategic planning and vendor evaluation for the 2026 employee benefits program. Our scope included a comprehensive review of the City's current consortium arrangement, with a focus on assessing the financial and operational implications of transitioning to a self-funded model. While prior analysis supported a one-year extension within the consortium, our 2025 work centered on preparing the City for a potential exit, including modeling claims projections, evaluating stop-loss options, and reviewing administrative readiness.

In parallel, we conducted finalist presentations and vendor evaluations for pharmacy benefit management, wellness services, and ancillary benefits. These sessions included Rx Solutions and RxBenefits, with detailed comparisons of claims projections, service models, and implementation timelines.

We were also tasked with evaluating the Ohio State University Physicians partnership, specifically its pricing structure and service offerings. Our review included urgent care and primary care services, wellness programming, and occupational health services. We documented the fee schedule and service scope, including direct billing arrangements and insurance coordination, to help the City assess the value and sustainability of the partnership for 2026 and beyond.

FINDINGS

COHCC and Self-Funding

The financial analysis conducted in 2025 shows that the City's claims performance has improved, with medical and drug claims trending downward and large claimant activity remaining low. When projecting costs for a self-funded arrangement using actual claims data through May 2025, the immature projection—representing expected first-year costs—came in 8.1% lower than the COHCC arrangement, while the mature projection was 4.2% lower, even assuming a rate pass and premium holiday from COHCC. These savings are achievable while maintaining administrative services through UMR and pharmacy benefits through RxBenefits, with stop-loss coverage structured to protect against high-cost claims.

Transitioning to self-funding would also provide the City with greater flexibility in vendor selection, transparency in claims management, and governance over plan design and funding strategy. The consortium's structure limits these capabilities and constrains the City's ability to optimize costs and tailor benefits to its workforce. Given the favorable financial outlook and strategic advantages, we recommend the City move to a self-funded model for 2026, with UMR as the claims administrator.

Pharmacy Benefit Management

While the City encountered service challenges with RxBenefits during its time in the COHCC, those issues were tied to the consortium's shared service structure and not reflective of RxBenefits' capabilities under a direct self-funded arrangement. In a self-funded model, the City will be assigned a dedicated service team tailored to its specific needs, offering improved responsiveness, accountability, and customization. RxBenefits remains a competitive option in terms of pricing and pharmacy benefit management strategy, and the projected cost savings under self-funding—up to 8.1% below the consortium arrangement—include RxBenefits as a viable PBM partner. With a new service team and direct oversight, the City can expect a significantly better experience than what was possible under the consortium.

OSU Services

Based on the analysis and discussions to date, we recommend that the City of Gahanna discontinue its partnership with OSU for employee health services and pursue alternative vendors for the 2026 plan year. The proposed pricing for urgent



City of Gahanna 2026 Recommendations

care services—\$270 per visit—is at the upper end of market rates and significantly higher than alternatives such as First Stop Health, which offers virtual urgent care at a fraction of the cost.

Similarly, OSU's wellness program, previously bundled under a \$37.50 PMPM fee, is now proposed as a service-based model with a 3% annual escalator. Even with this change, the program lacks the depth and engagement tools offered by modern platforms like PeopleEQ, which provide more comprehensive services at lower or comparable costs. For example, PeopleEQ's estimated annual cost is \$21,801, substantially less than OSU's projected \$34,766 when biometric screenings and health fairs are included.

Mental health services, previously proposed by OSU at \$940 per month for limited access, will be more effectively addressed through a new partnership with CuraLinc EAP, offering broader support and scalability. In addition, CuraLinc will replace Bronson HelpNet EAP, giving employees access to a wider network of providers and other value-adds like a first-responder concierge benefit.

These findings collectively support a transition away from OSU in favor of more cost-effective, flexible, and employee-focused solutions.

SUMMARY OF RECOMMENDATIONS

1. Exit the COHCC consortium on 1/1/2026
2. Enter a standalone self-funded environment on 1/1/2026
 - a. UMR as medical claims administrator
 - b. RxBenefits ESI as pharmacy benefit manager
 - c. Stop loss carrier to be determined via RFP in late August 2026
3. Exit the contract with OSU on 1/1/2026
4. Contract with the following vendors for savings and improvements:
 - a. First Stop Health for virtual Urgent Care
 - b. PeopleEQ through WellnessIQ for wellness platform and programming
 - c. CuraLinc EAP to replace Bronson HelpNet EAP for mental health services

APPENDIX

1. Cost Summary

CITY OF GAHANNA HEALTHCARE COST SUMMARY

JANUARY 1, 2026

Enrollment as of July 2025

Estimated 2026 Costs Under New Vendor Arrangements

| Benefit | Provider | Cost Estimate/Year | # Employees | PEPM | Rate Guarantees |
|--------------|--------------------|---------------------|-------------|-------------|------------------------------------|
| Admin Fees | UMR/RxBenefits | \$ 99,900 | 184 | \$ 45.24 | 3 years with escalators in 2 and 3 |
| Claims | UMR/RxBenefits | \$ 2,741,585 | 184 | \$ 1,241.66 | |
| Stop Loss | Estimated | \$ 467,421 | 184 | \$ 211.69 | |
| Ancillary | MetLife Basic Life | \$ 38,542 | 230 | \$ 13.96 | 2 years |
| Ancillary | MetLife STD | \$ 46,025 | 153 | \$ 25.07 | 2 years |
| Ancillary | MetLife Dental | \$ 227,764 | 193 | \$ 98.34 | 3 yr with 7% cap in yrs 2 & 3 |
| Ancillary | MetLife Vision | \$ 51,577 | 193 | \$ 22.27 | 2 years |
| Wellness | PeopleEQ | \$ 23,926 | 230 | \$ 8.67 | 3 years |
| Wellness | Implementation Fee | \$ 1,000 | 230 | \$ 0.36 | One-time fee |
| EAP | CuraLinc | \$ 11,288 | 230 | \$ 4.09 | 3 years |
| Urgent Care | First Stop Health | \$ 12,917 | 230 | \$ 4.68 | 3 years |
| TOTAL | | \$ 3,721,945 | | | |

Notes

UMR admin fees reflect a three-month administrative credit for the first year.

Claims estimate is an immature estimate for the first year and will rise in the second year as claims mature.

Stop loss is estimated and will go out to RFP in late August 2025 with July claims data.

PeopleEQ wellness includes coaching, health fair management, and an annual biometric screening estimate

CuraLinc includes estimates for 2 annual SAP/DOT evaluations and a 5-hour block for webinars/training

Estimated 2026 Costs Under Current/Previous Vendor Arrangements

| Benefit | Provider | Cost Estimate/Year | # Employees | PEPM | Rate Guarantees |
|--------------|---------------------|---------------------|-------------|-------------|--------------------------------|
| Premiums | COHCC | \$ 4,094,573 | 184 | \$ 1,854.43 | None |
| Ancillary | Standard Basic Life | \$ 57,541 | 230 | \$ 20.85 | None |
| Ancillary | Delta Dental | \$ 234,634 | 193 | \$ 101.31 | None |
| Ancillary | VSP Vision | \$ 67,488 | 193 | \$ 29.14 | 4 years |
| Wellness | OSU | \$ 34,766 | 184 | \$ 15.75 | ongoing annual escalator of 3% |
| EAP | Bronson HelpNet | \$ 7,900 | 230 | \$ 2.86 | None |
| Urgent Care | OSU | \$ 54,540 | 230 | \$ 19.76 | None |
| TOTAL | | \$ 4,551,442 | | | |

Notes

COHCC premiums reflect a 9% increase and no premium holiday, per known renewal arrangement for 2026.

Ancillary lines assume no increase on all lines from last known renewal for 2025.

OSU Wellness and Urgent Care reflect estimated costs per proposed pricing for 2026. Previous OSU costs were roughly \$210,000 annual all-inclusive of wellness, urgent care, and occupational health.

Bronson HelpNet EAP assumes no increase to EAP rates for 2026 from 2025; includes estimate for SAP/DOT fees