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June 10, 2025

The Honorable Glenn Youngkin, Governor, Commonwealth of Virginia  
The Honorable Luke E. Torian, Chair, House Appropriations Committee  
The Honorable L. Louise Lucas, Chair, Senate Finance Committee

Subject: Changes in premiums, benefits, carriers, and provider networks for the 2025-2026 Plan Year

The attached report is pursuant to Item 74A, Chapter 2 of the 2024 Special Session I, Virginia Acts of Assembly.

Please contact me if there are any questions.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Janet L. Lawson".

Janet L. Lawson  
Agency Director

Cc: The Honorable John Littel, Chief of Staff  
The Honorable Stephen Cummings, Secretary of Finance  
The Honorable Margaret McDermid, Secretary of Administration  
Michael Maul, Director, Department of Planning and Budget  
Gary Johnston, Director, DHRM Office of Health Benefits

**Changes in Premiums, Benefits,**  
**Carriers, and Provider Networks For**  
**Plan Year 2025-2026**

**June 10, 2025**

## **Background**

Pursuant to Item 74A, Chapter 2 of the 2024 Special Session I, Virginia Acts of Assembly, this report details the changes to the state employee health benefits program involving premiums, benefits, carriers, or provider networks schedule affecting the 2025-2026 Plan Year.

## **Premium Changes**

Based on an actuarial review and projection of claims trends conducted by our consultants (Aon Consulting), we recommended a 7.5% total premium increase for the 2025-2026 plan year. This recommendation is below the national trend of 9.5% average premium increase across all industries. The final FY26 budget (Chapter 725) approved a 6% increase, which provides a sufficient cushion to fully support the plan without any reductions in coverage or services.

Due to the active Healthcare Request for Proposal (RFP), there will not be any benefit changes for the 2025-2026 plan year. Current health insurance plans include:

### **COVA Care**

Anthem currently administers and may continue to administer medical, prescription (Carelton), Behavioral Health, Wellness and Employee Assistance Program (EAP) benefits, including the associated networks. Delta Dental will administer the dental benefits and the dental provider network. There are no changes.

### **COVA HDHP (High Deductible Health Plan)**

Anthem currently administers and may continue to administer medical, prescription (Carelton), behavioral health, Wellness and Employee Assistance Program (EAP) benefits, including the associated networks. Delta Dental will administer the dental benefits and the dental provider network. There are no changes.

### **COVA HealthAware**

Aetna currently administers and may continue to administer medical, behavioral health, Employee Assistance program (EAP) and the Health Reimbursement Arrangement (HRA). Prescription coverage will continue through Carelon, and Delta Dental will administer the dental benefits and the dental provider network. There are no changes.

### **Kaiser Permanente HMO (Health Maintenance Organization)**

This is a regional plan that services mostly Northern Virginia, and includes medical, prescription, behavioral health, dental and Employee Assistance Program (EAP). The state has no control over the plan design because this is a fully insured plan. There are no changes.

### **Sentara HMO**

This is a regional plan that primarily services the Tidewater/Hampton Roads area, and includes medical, prescription, behavioral health, dental and Employee Assistance Program (EAP). The state has no control over the plan design because this is a fully insured plan. There are no changes.

**TRICARE Voluntary Supplement**

The TRICARE Voluntary Supplement is offered to employees who are eligible for government-sponsored TRICARE health insurance. There are no changes to the supplemental plan.

**Flexible Spending Accounts (FSA)**

The healthcare FSA limit will be increased to \$3,300 based on IRS limits. This is an increase over the current limit of \$100 per year. The dependent care FSA limit remains unchanged at \$5,000.