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May 1, 2026

The Honorable Abigail D. Spanberger, Governor, Commonwealth of Virginia  
The Honorable L. Louise Lucas, Chair, Senate Finance and Appropriations Committee  
The Honorable Luke E. Torian, Chair, House Appropriations Committee

Subject: Changes in premiums, benefits, carriers, and provider networks for the 2026-2027 Plan Year

Pursuant to Item 74A of Chapter 725, 2025 General Session, Virginia Acts of Assembly, the attached report details changes in the state employee health insurance program for plan/fiscal year 2026-2027.

Please contact me if there are any questions.

Respectfully Submitted,

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

Janet L. Lawson  
Director  
Department of Human Resource Management

Cc: The Honorable Bonnia Krenz-Schnurman, Chief of Staff  
The Honorable Mark D. Sickles, Secretary of Finance  
The Honorable Traci J. Deshazor, 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 2026-2027**

**May 1, 2026**

## **Background**

Pursuant to Item 74A, Chapter 725 of the 2025 General Session, 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 2026-2027 Plan Year.

The Commonwealth currently manages five health plans for state employees and retirees: three self-insured national plans (COVA Care, COVA HDHP, and COVA HealthAware) and two regional fully-insured plans.

## **Premium Changes**

Based on an actuarial review and projection of claims trends conducted by our consultants (Aon Consulting), we proposed an average 17.2% increase in total premiums for the 2026-2027 plan year.

### **COVA Care (Standard Preferred Provider Organization/PPO Plan)**

Anthem currently administers medical, prescription drugs (Carelon), Behavioral Health, Wellness and Employee Assistance Program (EAP) benefits, including the associated networks. Delta Dental will continue to administer the dental benefits and the dental provider network (no changes). Changes to this plan include the addition of a \$150 prescription drug deductible that applies to tiers 2-4. In addition, Carelon is moving to the National Direct Preferred Formulary Plan which expands coverage and adds Biosimilars for approved specialty drugs.

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

Anthem currently administers medical, prescription drugs (Carelon), behavioral health, Wellness and Employee Assistance Program (EAP) benefits, including the associated networks. Delta Dental will continue to administer the dental benefits and the dental provider network (no changes). The only change is with Carelon moving to the National Direct Preferred Formulary Plan, which expands coverage and adds Biosimilars for approved specialty drugs.

### **COVA HealthAware (Consumer Driven Health Plan with HRA)**

Aetna currently administers medical, behavioral health, Employee Assistance program (EAP) and the Health Reimbursement Arrangement (HRA). Prescription drug coverage will continue through Carelon, and Delta Dental will continue to administer the dental benefits and the dental provider network (no changes). The only change is with Carelon moving to the National Direct Preferred Formulary Plan which expands coverage and adds Biosimilars for approved specialty drugs.

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

This is a regional plan that services mostly Northern Virginia, and includes medical, prescription drugs, behavioral health, dental and Employee Assistance Program (EAP). As a fully-insured plan, the carrier has complete control over the plan design and rates. There are no changes.

### **Sentara HMO**

This is a regional plan that primarily services the Tidewater/Hampton Roads area, and includes medical, prescription drugs, behavioral health, dental and Employee Assistance Program (EAP). As a fully-insured plan, the carrier has complete control over the plan design and rates. 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 \$3,400 based on IRS limits. This is an increase over the current limit of \$100 per year. The dependent care FSA limit remains unchanged at \$7,500.