



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D:		
DATE: 11/20/2025 11/25/2025		BOARD INITIATED ITEM: No		
Originator/Prepared by: Diane Iwata Dept: Human Resources Administration Signature/Date: DocuSigned by: <i>Diane Iwata</i> B2B28E38D3F14F1... 11/21/2025	General Counsel DocuSigned by: <i>Amelia Sandoval-Smith</i> 2528C067C44147D... 11/21/2025 []	Chief Financial Officer Signed by: <i>Joseph Beach</i> 7D9A7C6E7348456... 11/21/2025 []	District Secretary DocuSigned by: <i>Robert Franklin</i> AFF4529E1F0D45C... 11/25/2025 []	BARC DocuSigned by: <i>Pamela Herlihy</i> 3BB24D65B8724F5... 11/21/2025[]

Non-CalPERS Medical Plan Structure and Rates for CY2026

PURPOSE:

To obtain Board approval of a resolution changing the contribution schedule for non-California Public Employees Retirement System ("non-CalPERS") medical plans that are available to active members of the Board of Directors, eligible former members of the Board, eligible survivors of BART employees and Board members, and eligible non-registered opposite sex domestic partners of BART employees and retirees for calendar year 2026.

DISCUSSION:

The District has two non-CalPERS medical plans, a self-funded indemnity plan under United Health Care ("UHC") and a fully insured health maintenance organization plan under Kaiser Permanente ("Kaiser"). These non-CalPERS plans are available to individuals who are not eligible for CalPERS coverage including: survivors of employees who died prior to contracting with CalPERS; non-registered opposite sex domestic partners; and active Board members and former Board members who are eligible for District provided benefits under State law and District policy. The number of individuals currently in the non-CalPERS plans has remained consistently low over the past few years. A total of seventy-one (71) individuals participate in these plans, fifty-nine (59) in UHC and twelve (12) in Kaiser.

Due to industry restrictions, the District cannot match the non-CalPERS medical plans identically to the CalPERS medical plans. However, the District makes every effort to



keep these plans as closely aligned in plan design as possible. Since UHC is self-funded, the District pays all actual expenses and must establish a premium for this plan. The Board previously approved matching the UHC rate to the CalPERS Region 1, PERS Gold PPO, as the UHC plan is similar in plan design to the CalPERS plan. BART's Benefits broker, Alliant, has since reviewed the plan and determined, based on usage and larger network, the plan should be priced higher than PERS Gold and have its own established premium. Thus, Alliant took BART plan usage and established premiums for calendar year 2026. Since the District's Kaiser plan is fully insured, a negotiated rate is used for the District's Kaiser plan.

The District also applied a similar medical cap formula and contribution amount used for non-represented employees/annuitants to participants under the non-CalPERS medical plans. The CalPERS' medical contribution cap is based on the CalPERS HMO Blue Shield Access+ basic plan, or the CalPERS HMO Kaiser basic plan (CalPERS Region 1 for the Bay Area), whichever is greater, for the applicable level of plan participation for the employee, less employee/annuitant monthly contribution. For participants under the District plans, the medical cap was modified to correspond with CalPERS HMO Blue Shield Access+ HMO basic plan (CalPERS Region 1 for the Bay Area) or the District's non-CalPERS Kaiser HMO basic plan, whichever is greater, for the applicable level of plan participation for the employee, less the employee/annuitant monthly contribution. For calendar year 2026 the non-represented employee/annuitant contribution is \$175.46 per month. Staff is recommending this same contribution amount be applied to participants under the non-CalPERS medical plans for calendar year 2026.

The Office of General Counsel will approve agreements or modifications to agreements with plan providers related to the attached resolution as to form.

FISCAL IMPACT:

The annual cost (net of the participant contribution) for the fully insured Kaiser plan is \$204,106. UHC is self-funded, so costs are based on actual expenses and not on premiums. The average annual cost has been (net of the participant contribution) \$748,215 over the past seven years. The total is \$952,351, which is higher than budgeted due to higher-than-expected enrollment. We will review options for offsetting savings.

RECOMMENDATION:

It is recommended that the Board approve the attached resolution.

MOTION:

To adopt the attached resolution "In the Matter of Non-CalPERS Medical Plan Structure and Rates for CY 2026".