Market Trends and Plan Selection Best Practices

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CHURCH PENSION GROUP
Passionate About Our Purpose

Agenda

01 Health Care Market Trends

02 Smart Plan Selection

03 Q/A

Today’s Speakers

John Servais
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SVP, Health Care Strategy

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Health Care Market Trends

Jackie Dowd
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Health Care Affordability is a National Conversation

AXIOS

May 22, 2026 - Health

Employer health spending is still going up

Caitlin Owens

Forbes

Healthcare Costs Are Americans' Top Economic Worry—Here's How To Get Affordable Coverage

Published: Jul 21, 2026, 3:06pm

CBA
CHURCH BENEFITS ASSOCIATION

US health news | Health & benefits

Employers are challenged to keep healthcare affordable as costs soar: Survey results

Why Health Care Costs Continue to Rise

New Market Forces Drive Trend to a Two-decade High of 9-10%

Pharmacy Innovation

GLP-1s and specialty therapies driving unprecedented pharmacy cost growth

High-Cost Claimants

Catastrophic claims driven by oncology, pharmacy, and other complex conditions

AI & Provider Revenue

AI-assisted documentation and billing increasing overall health care costs

How the Medical Trust compares to other organizations

The Medical Trust shares many of the same healthcare cost pressures as other employers, but some characteristics create additional challenges

Complexity & Plan Design

- Greater member choice (7 plans versus 2-3 industry)
- Above-market plans (PPO 100)
- Higher utilization

Member Demographics

- Average age of 56 compared to industry of 44
- Higher prevalence of chronic conditions
- Greater health care utilization

Geography

- Rural communities
- Lower access to primary care
- Higher ER usage
- Higher cost of care

Overall Impact

- Older population
- Richer benefits
- Rural geography
- Higher utilization
- Higher healthcare costs

Smart Plan Selection

Stephen Parahus, ASA
Alliant Employee Benefits
SVP, Health Care Strategy

Best Practices for Evaluating Plan Options

When considering the medical design(s) to offer employees, and the number of options to offer, be guided by these principles

Principle 1

Offer options that address the identified needs of your population

- Income/ affordability
- Health security needs and risk tolerance
- Access to network providers

Principle 2

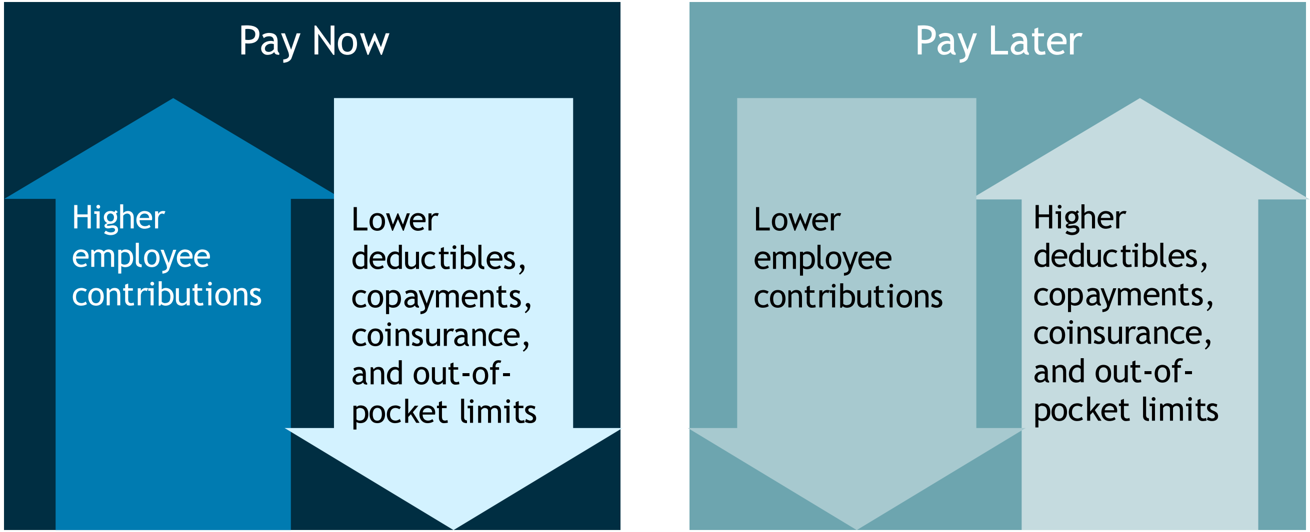
Select designs and set employee contributions that allow employees to make smart, confident decisions

- Differentiated and meaningful options
- Limited number of options offered

Balancing Premiums and Plan Features

Medical plan participants share costs in two ways

- As ***subscribers***, through payroll-deduction contributions
- As ***users***, paying deductibles, copayments, and coinsurance at the point of care



When offering multiple plans, the difference in employee contributions between plans should correspond to the difference in the options' premiums

Employer plan sponsors typically charge contributions of between 20% and 25% of the plan premium

Historically, not-for-profit organizations have charged contributions at the lower end of this range

Considering the Needs of the Population

Understand coverage needs and affordability for employees.

Keep messaging clear and simple.

Don’t put employees in a position where they can suffer from a poor choice.

Less is more—don’t offer more options than is appropriate for the population.