2026 Medicare Health Insurance Update

by Brad Jacobsen 08/05/2025

On August 5th, as requested by the Federation, I attended a quarterly Retiree Medicare health insurance forum with City Benefits, the City's financial and network insurance advisor (AON), the Professional Employees Assn retiree rep and the Local 21 Fire retiree rep. These meetings are hoped to be held quarterly as a means of increased communication and feedback between the City and Medicare retirees.

That being said, the selection and administration of a Medicare vendor or the premium rates, are at the discretion of the City. But the City acknowledges an interest in ensuring retirees have access to high quality healthcare options to supplement Medicare when they retire.

The City announced that the UnitedHealthcare Medicare Advantage Plan (UHC MAP) will be continued for 2026. In July, AON performed a RFP (Request for Proposal or solicitation for bids from vendors), receiving quotes from Blue Cross, Healthpartners, UHC and Medica.

AON reported that the 2026 bids received are considered confidential, however UHC rates were significantly less than all competitors. The monthly premium of approximately $229/pp will be deducted from the Federation contract benefit ($300 or $550 depending on hire date). Most Medicare retirees (hired before 1996) will have no out-of-pocket premium cost. Medicare retirees hired between 1996-2005 will incur an out-of-pocket premium cost if they choose two-person coverage. AON stated the out-of-pocket medical and drug co-pays should not change, but that will be verified at Open Enrollment. The City also stated limits, coverage and networks should not change but again, verification is pending.

Healthpartners, Essentia and UHC are in agreement for 2026 participation. However, any future coverage agreement between HP, Essentia and UHC has been made confidential by those companies and is unknown going forward from 2026. Therefore, the term of our contract agreement will be for 2026 only as significant numbers of Medicare retirees are HP and Essentia patients.

The 2026 UHC Medicare Advantage Plan will have internal federal administrative changes that won't affect the retiree. Except: Each retiree will have a separate Medical ID card and a separate Prescription Drug ID card. The drug formulary and specialty drug authorizations are all the same. Some drugs are covered by Medicare Part B and some by Medicare Part D. When you go to the drug store, simply present both cards to the pharmacist.

I expressed my future concerns with the City hiring a company (UHC) suffering market volatility and a proven track record of placing profits over care, noting 60K UHC MAP's recently dropped due to less than expected earnings. The City responded they have not received UHC complaints over the recent past. AON advises the City on financial and medical network comparisons and issues. The quality and performance points of the Medicare plan are City Benefit considerations.

For those retirees with a Mission Square medical savings account, the vendor continues to work on a debit card option available by late 2025 for valid out-of-pocket medical expenses. Open Enrollment will be in November and each Medicare retiree will receive a City USPS mailed letter with details of the 2026 plan. Once again, you need do nothing to continue coverage and be auto-enrolled in the 2026 plan.