

# Hampshire County Group Insurance Trust

88 King St, Northampton, MA 01060 | 413-584-1300

## MEMORANDUM

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**To:** All Member Units

**From:** The HCGIT Executive Committee

**Date:** December 23, 2025

**Subject:** HCGIT: FY27 Next Steps & Messaging

### Overview

We would like to update you on the status of the Hampshire County Group Insurance Trust (HCGIT) FY27 planning and provide you with messaging for your fiduciaries.

### Current Challenges

This year, the Trust has faced unprecedented financial challenges due to rising prescription drug prices and increased provider costs, particularly high-cost medications like GLP-1 drugs. To alleviate some of this burden, GLP-1s for weight loss were removed from the formulary in October—an action taken by many employers nationwide. Additional cost drivers that have impacted the Trust in FY26 include oncology-related medical expenses and behavioral health claims. These factors, combined with the ongoing healthcare crisis, necessitated a mid-year rate increase.

### Actions Taken

HCGIT is actively seeking competitive pricing options from both local and national carriers while exploring innovative solutions to manage costs effectively. In collaboration with our newly appointed consultant, the Hilb Group, we are assessing alternative market options to address the rising costs of healthcare, particularly in pharmacy. Despite recent rate increases, our rates and plans remain competitive within the municipal market compared to many other offerings. For decades, we have focused on maintaining consistent plan designs to minimize high out-of-pocket expenses, narrowed networks, and high-deductible health plans. The Trust has also maintained a relatively stable risk pool, which has allowed us to mitigate significant rate increases and keep out-of-pocket expenses low for members.

## FY27 Planning

Member units are seeking projected renewal increases for FY27 for budget planning. It is essential that we provide the most accurate projections. We are taking steps through medical and pharmacy bids to minimize disruption while ensuring stability and rebuilding our reserves following the ongoing healthcare crisis.

## Upcoming IAC Meetings

For the upcoming two IAC meetings, the agenda and timeline regarding rates are outlined below, along with the anticipated schedule for the health and pharmacy plan marketing presentations:

### 1. January IAC Meeting (1/21/26):

Hilb will provide a preliminary rate projection based on current claims data and market trends. However, this projection will not account for potential changes from the pharmacy evaluation and may not fully reflect the results of the medical bids. During the presentation, Hilb will share the preliminary outcomes of the health plan marketing. Additionally, Hilb and PBIRX (pharmacy consultant) will discuss the current state of the pharmacy program and provide an update on the Pharmacy Benefit Manager (PBM) marketing process.

### 2. February IAC Meeting (2/25/26):

Pending timely receipt of carrier information and data, Hilb will present final recommendations on plan designs and rates, including the medical bid results. PBIRX and Hilb will also provide the PBM marketing results and recommendations for ongoing pharmacy management.

Timeline	
IAC FY27 Planning Agenda Topics	
IAC Meeting Timeframe	Agenda Item
January 2026 (1/21/26)	<ul style="list-style-type: none"><li>• Preliminary rate projection based on current claims and market trends</li><li>• Preliminary results of health plan marketing</li><li>• Pharmacy marketing update</li></ul>
February 2026 (2/25/26)	<ul style="list-style-type: none"><li>• Final medical bid results and recommendations</li><li>• Final pharmacy marketing results</li><li>• FY27 rate recommendations</li></ul>

## **Looking Ahead**

With effective plan management year after year, HCGIT remains optimistic about the future, supported by a stable risk pool and proactive strategies for the upcoming fiscal year. Thank you for your continued support during this challenging year.

Sincerely,

The HCGIT Executive Committee