

**Item Title:** Extenuating Circumstances for Reinstatement of Retiree Health Insurance Coverage

**Specific Action Requested:**

**That the Board of Commissioners authorizes the County Manager to update the Wake County Personnel Policy, Section 31.14 Retiree Health Insurance Guidelines (E) Forfeiting coverage.**

**Item Summary:**

**Purpose:** The Board of Commissioners must approve all changes to the Wake County Personnel Policy.

**Background:** The County offers various paid levels of retiree health insurance coverage to employees who began employment with the County on or prior to June 30, 2011.

For Plan Year 2024, the County moved post-65 retirees to a group Medicare Advantage (MA) plan with Cigna through a three-year contract. This move was designed to provide post-65 retirees with more tailored coverage and a richer benefits package, while mitigating future cost increases for the County. Under this MA plan, retirees have no out of pocket costs, regardless of whether their provider is in network or out of network. In 2025, HealthSpring took over the Cigna contract.

Due to unclear guidance from UNC Health, a small number of retirees dropped their health coverage. Staff has drafted a policy that would allow these retirees to re-enroll under these extenuating circumstances. Staff recommend adopting this policy.

**Fiscal Impact:** FY 2026 costs are included within the current budget. Future costs will be included in subsequent budgets.

**Additional Information:**

Over the past several months, some post-65 retirees on our group Medicare Advantage (MA) plan reported that UNC Health providers appeared to be “out of network” with our plan administrator, HealthSpring. After extensive advocacy, UNC Health agreed to continue treating our retirees as *in-network*, ensuring no disruption in care or additional cost. Both UNC Health and HealthSpring have been cooperative in resolving remaining individual cases where a specific doctor or provider attempts to deny coverage or asks a retiree for payment.

A small group of retirees, however, dropped their HealthSpring coverage after receiving unclear guidance from UNC Health, believing this was necessary to remain eligible for

care. This was not accurate. The lack of an in-network agreement only affected individuals who purchased MA plans independently not members of our group plan.

There were 21 post 65 retirees (or spouses) who terminated their HealthSpring plan between Jan 2026 – March 2026. Under current County policy, retirees who drop County coverage cannot re-enroll. Because this group acted based on misleading information, we recommend a policy modification to allow these retirees to re-enroll under these extenuating circumstances.

As a reminder, the County currently has out to bid several benefits, including health insurance coverage for post-65 retirees. County staff and leadership will be evaluating proposals to best ensure local providers are and will remain in network.

The proposed language amendment, reviewed by the County Attorney's Office, is as follows:

*Proposed Addendum: Extenuating Circumstances Reinstatement of Coverage*

*Notwithstanding the forfeiture provision above, under extenuating circumstances the County Manager may authorize a one-time reinstatement of retiree medical insurance coverage for a retiree who has forfeited coverage by declining it, failing to elect it at separation, or choosing to drop coverage. Such reinstatement may only include coverage as it existed and at the same level at the time of forfeiture, provided the retiree requests in writing to opt back into coverage within six (6) months of the date coverage was forfeited. Approval of reinstatement is solely at the discretion of the County Manager and is not guaranteed.*

**Attachments:**

1. Current Wake County Personnel Policy, Section 31.14