



Dear Faculty and Staff,

As we prepare for Open Enrollment, we want to share important information about our health plan. UAH's health care premiums will increase for 2026, following an extended period of unprecedented stability in premium costs. This was not an easy decision, but it is necessary to maintain the strength and sustainability of our plan.

Why Are Premiums Increasing?

UAH's health plan is self-funded, which means the university directly pays the cost of all medical and pharmacy claims. Over the past year, total plan costs have risen by 45% compared to the same period last year. Key drivers include:

- Several high-dollar claims
- A 35% increase in pharmacy costs, largely from new and costly drug therapies
- Rising hospital and provider charges

Because we are responsible for covering all claims, it is essential that we remain good stewards of the plan and ensure there are adequate reserves to pay for care.

How Did We Decide on the Approach?

We consulted with Faculty/Staff Employee Benefits Committee regarding possible options. It was strongly favored to preserve the rich coverage, low copays, and deductibles that UAH employees' value. To do this, we will absorb the increased health costs through premiums alone, rather than reducing coverage or raising out-of-pocket costs.

As a result, there will be a ~9% premium increase across all coverage tiers for both the PPO and HDHP plans, effective January 1, 2026. This is the first premium increase in four years—while most U.S. employers have faced annual increases of 8–10% during that same period.

How Does This Compare Nationally?

UAH is not alone. U.S. businesses are facing the steepest health insurance cost increases in at least 15 years, with employer coverage projected to rise about 9.5% in 2026. The causes mirror what we are experiencing: higher hospital costs, expensive new drug therapies, and more complex health needs among the working-age population.

Our Commitment to You

We know your benefits are an important part of why you choose UAH. We remain committed to offering excellent coverage and doing everything possible to manage costs responsibly. While no one welcomes higher premiums, please know this decision was made only after careful consideration.

Medical Benefit Changes

Deductible Increase <i>HDHP</i>	The calendar year deductible will increase to comply with government requirements for Health Savings Account (HSA) Qualified Plans. This adjustment is necessary to ensure the plan remains compliant with HSA regulations. - Individual deductible: \$1,700 - Family deductible: \$3,400
Pharmacy Copay Increase	Tier 1 pharmacy copay will increase from \$15 to \$20. This change aligns with all UA System campuses and is necessary to address increased plan cost projections resulting from recent state legislation enacted Community Pharmacy Relief Act.
Doctors on Demand	NEW for 2026—Doctor On Demand! Doctor On Demand is now the preferred telemedicine provider for all Blue Cross and Blue Shield of Alabama members. Doctor On Demand will replace your current telemedicine services currently offered through Teladoc, effective January 1, 2026. Doctor On Demand is available to benefit-eligible employees and their dependent(s) covered by UAH's PPO or HDHP medical plans. This virtual medical care service grants you and your covered dependents with 24/7/365 access to urgent care from your phone or computer, wherever you are. Doctors on Demand provides virtual primary care, behavioral health, and dermatology services with top doctors and therapists. Providers are all U.S. board-certified & state-licensed doctors. You can receive treatment for non-emergency conditions such as the common cold, fever and rashes, as well as behavioral issues like anxiety, depression and more. » Dedicated PCP » Family Medicine » In-Network Referrals » Integrated Pharmacy and Labs » Chronic Condition Management » Annual Check-Ups » Integrated Therapy and Psychiatry How to access services? Download the Doctor On Demand mobile app in the Apple store or Google Play for quick and easy access. Visit DoctorOnDemand.com/alabama to activate your account or log in to get the care you need quickly! 

ACCELERATED PREMIUM REMINDER: 9-MONTH ACADEMIC FACULTY

Faculty members who receive their salary over a 9-month pay calendar are subject to accelerated insurance premiums. This means that the full annual insurance premium, including coverage for the summer months, is deducted over the 9-month period. If a mid-year change is made to the insurance coverage—whether due to a cancellation, addition, or change in coverage tier, typically during open enrollment or due to a qualifying life event—the premium amount may be adjusted. This adjustment could result in the employee owing an additional premium, which will be recouped in their next paycheck.

2026 PREMIUM SCHEDULE

Premium increases for PPO & HDHP Medical Plans, Dental Insurance

No premium increase for vision Insurance, Voluntary Life, Long-term Disability, and LifeLock Identity Coverage!

PPO Bi-Monthly Premium		12 Month	\$ Increase	9 Month	\$ Increase
Standard	Employee	\$54.50	\$4.50	\$72.67	\$6.00
	Employee + Child(ren)	\$183.00	\$15.00	\$244.00	\$20.00
	Employee + Family	\$246.50	\$20.50	\$328.67	\$27.67
Grandfathered	Employee	\$39.51	\$3.26		
	Employee + Child(ren)	\$87.20	\$7.20		
	Employee + Family	\$105.46	\$8.71		
Premium Assistance	Employee	\$4.50	\$4.50	\$6.00	\$6.00
	Employee + Child(ren)	\$133.00	\$15.00	\$177.33	\$20.00
	Employee + Family	\$196.50	\$20.75	\$262.00	\$27.67
HDHP Bi-Monthly Premium		12 Month	\$ Increase	9 Month	\$ Increase
Employee		\$32.50	\$2.50	\$43.33	\$3.33
Employee + Child(ren)		\$109.00	\$9.00	\$145.33	\$12.00
Employee + Family		\$163.50	\$13.50	\$218.00	\$18.00
Dental Bi-Monthly Premium		12 Month	\$ Increase	9 Month	\$ Increase
Employee		\$15.41	\$0.74	\$20.55	\$0.99
Employee + Child(ren)		\$30.19	\$1.44	\$40.25	\$1.92
Employee + Family		\$38.57	\$1.84	\$51.43	\$2.46

Medical Benefit Enhancements

REMINDER! HINGE HEALTH MSK PROGRAM

Hinge Health is a digital physical therapy program designed to support employees and their dependents in managing musculoskeletal (MSK) conditions, such as joint and muscle pain. The program offers personalized plans to help members achieve their health goals, recover from injuries, prepare for surgery, address pelvic health concerns, and maintain overall wellness. Hinge Health is available at no cost to employees and dependents aged 18 and older who are enrolled in UAH health insurance plans, with **all fees covered by UAH**.

New Hinge Health Programs for 2026

Pelvic Health

Chronic pelvic pain (CPP) impacts 26% of women worldwide and can have a significant negative impact on functioning and quality of life. Many women don't receive treatment due to a lack of awareness, stigma, and inadequate access to pelvic floor physical therapists.

Hinge Health is setting a new standard for nationally accessible and clinically validated pelvic healthcare by supporting the unique MSK needs of women. Hinge offers virtual pelvic therapy, making it easy for women to address chronic pelvic pain from the comfort and privacy of their home.

Menopause Care

Joint pain, bone density changes, hot flashes, embarrassing leaks. Menopause symptoms are often overwhelming and unexpected. Hinge Health can help you navigate these changes with access to virtual physical therapy and more. Through personalized exercises and expert guidance, can get relief and take control of your symptoms.

BCBS WEB AND MOBILE APP FEATURES

[Getting Started](#) | [Online Tools](#) | [Mobile App](#)

Blue Cross Blue Shield of Alabama offers a variety of features through their web and mobile app tools. *MyBlue* Cross and the mobile app contain a Virtual ID card feature. They also allow members to find participating providers and compare or estimate costs for medical treatments by using the Treatment Cost Estimator.

HEALTH NOTICES

[Medicare Part D Certificate of Creditable Coverage](#)

[Health Insurance Model Notices](#)

TAX SAVINGS ACCOUNTS

ANNUAL LIMIT INCREASES

Health Savings Account (HSA)	IRS Annual Limit Increase: - Individual Plans: \$4,400 - Family Plans: \$8,750 \$1,000 catch-up contribution for age 55+
Health Care FSA	IRS Annual limit increase to \$3,300
Dependent Care FSA	IRS Annual limit increase to \$7,500 (\$3,750 for married couples filing separately) This is the first increase in decades! Take advantage of the addition tax savings towards rising daycare costs!

Benefit and Wellbeing Programs

NEW! GREAT WORKS PERKS

We are excited to announce the addition of GreatWorkPerks, Employee Discount Program! This is our one-stop solution for all discounts: Hotels & Resorts, Car Rentals, Concerts, Automotive, Zoos & Aquariums, Theme & Water Parks, Florists, Fitness, Child Care, Movie Tickets, Restaurants, Gift cards, Flights, Museums, Outdoor Activities, and MORE! GWP partners with over 20,000 companies and has more than 100,000 discounts available.

Visit [GreatWorkPerks](https://www.greatworkperks.com) and register today!

WELLNESS CARRIER: PERSONIFY

Recharge your way to a healthier 2026 through Personify's digital health and well-being platform. Wellness plan participants will have access to a personalized and dynamic health platform, along with a mobile app that offers holistic wellness resources, including immersive education, rewards and gamification, health assessments, and a portal for managing and tracking wellness progress.

WELLNESS INCENTIVES

Employees can earn points by completing preventive screenings, participating in activity challenges, attending wellness events, undergoing biometric screenings, and completing health assessments, among other activities! Eligible employees who meet all program requirements will receive up to **\$250 in rewards cash in 2026**. Rewards can be redeemed at any time for gift cards or prizes, and unused points can be rolled over from year to year.

BENEFICIARY REVIEW

Life is unpredictable, and changes can happen. It's essential to review and update your beneficiary designations for your life insurance and retirement benefits whenever changes occur. Ensuring that your beneficiaries are current gives you peace of mind, knowing that your assets will be distributed according to your wishes. You can change your beneficiaries at any time throughout the year. However, Open Enrollment is an excellent opportunity to review your beneficiary designations and ensure they are current.

2026 BENEFITS GUIDE AND WEBSITE

Flipping book link: <https://online.flippingbook.com/view/75705815/>



VOLUNTARY RETIREMENT PLAN CHANGES

Upcoming Secure 2.0 Change Affecting Catch-Up Contributions – Effective January 1, 2026

A new provision under the Secure 2.0 Act will change how certain retirement plan catch-up contributions are handled for 403(b) and 457(b) plans. This provision only applies to employees who are age 50 or older in 2026 AND whose FICA wages in 2025 are \$145,000 or more.

Under the new regulation: If your **FICA wages in 2025 exceed \$145,000**, any **catch-up contributions** (the portion above the standard IRS annual limit) must be designated as **Roth (after-tax)**. Employees who remain under the \$145,000 threshold may continue making catch-up contributions on a pre-tax basis and will not be impacted. This change does not affect your ability to make regular pre-tax contributions up to the standard IRS limit. The current IRS 402(g) standard limit is \$23,500 (for 2025); the IRS may increase this limit for 2026.

What this means for you

- Employees impacted by this provision and planning to make catch-up contributions should closely track their 403(b) and/or 457(b) salary deferrals to determine when to switch from pre-tax to Roth.
- If you reach the standard limit, your contributions will automatically be converted to Roth the following pay-period and will continue through the remainder of the year.
- Human Resources will notify impacted employees in early 2026, after 2025 W-2 forms are issued and FICA wages are finalized. At that time, we will provide a contribution calculator to help you determine the appropriate salary deferral percentage that will reach the pre-tax limit. More information will be shared to help you plan for this change and understand how it may affect your contributions.