



2026 OPEN ENROLLMENT: PROTECTING UC'S BENEFITS

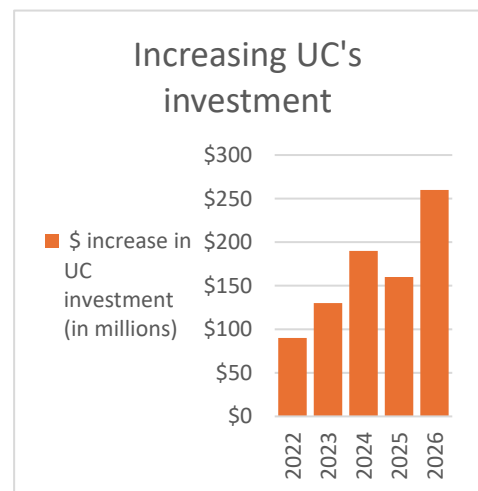
BACKGROUND

Open Enrollment begins Oct. 30, and we know that rising medical costs are a concern for many of you. Like employers across the country, UC is facing an overall increase of 10.2% in medical premiums — part of what experts say is the steepest jump in more than a decade. We understand how difficult it is to see these costs go up year after year, and that's why we've been working hard to limit the impact on you and your family and safeguard UC's benefits.

FACING FINANCIAL CHALLENGES TOGETHER

UC is facing one of the most serious financial challenges in its 157-year history, but protecting employees from steep health care cost increases remains a top priority. Here's what we're doing to support you:

- ✓ In 2026, **UC will invest an additional \$260 million in medical benefits — a 9.5% increase and the largest boost in the past 15 years.** This brings our total investment to \$3 billion, covering 83% of medical premium costs while continuing to pay 100% of dental and vision premiums.
- ✓ Our academic health centers are carrying significant financial pressures, with labor costs up 22% in the past year, rising supply costs, and \$5.9 billion in community benefit and uncompensated care to support the health of the communities they serve. Even so, they are absorbing hundreds of millions of dollars in expenses to keep premium costs lower for employees in UC medical plans.



WHAT THIS MEANS FOR YOU

While these decisions will help keep the average of employee premium increases low, **the impact to you will depend on the plan you choose.**

We'll have full details in the coming weeks. But here are a few changes you should know about now:

NEW PLAN OPTION

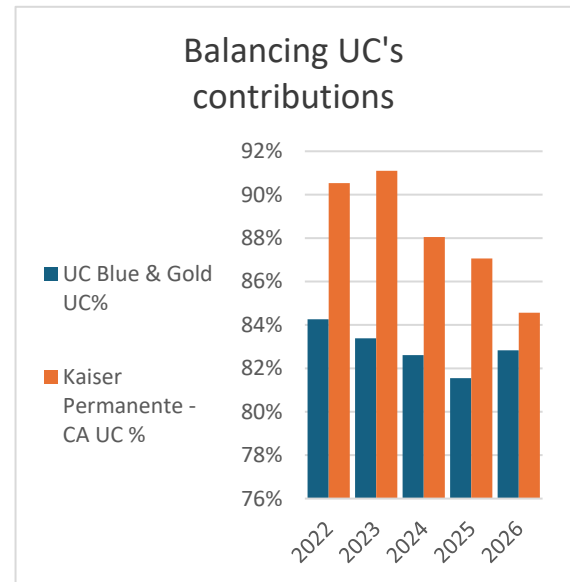
HealthSavings+ is replacing CORE and UC Health Savings Plan, with new benefits and costs.

- ✓ HealthSavings+ will be **UC's lowest premium medical plan**, and it includes a Health Savings Account (HSA) that lets you set aside money for health expenses while lowering your taxable income.
- ✓ The HSA is a valuable way to save for qualified medical expenses, and the account stays with you even if you leave UC.
- ✓ To help you get started, **UC is increasing the annual HSA contribution from \$500 to \$750 for individuals and from \$1,000 to \$1,500 for families.**

MORE EQUITY ACROSS PLANS

In the past, UC covered a larger share of the total cost for Kaiser HMO compared to other plans with similar benefits. Beginning next year, UC is balancing premiums across similar health plans.

- ✓ UC will pay roughly the same percentage of total premium costs for Kaiser HMO as they do for UC Blue & Gold HMO.
- ✓ Employee premiums will be more equitable and predictable, and plans with provider choice, including in-network UC Health providers, will be more affordable.
- ✓ Premiums for represented employees will be implemented consistent with applicable collective bargaining agreements and the law.



REVIEWING OUR PARTNERSHIPS

The company that administers your health or dental plan does more than just process claims. They shape your experience and how easy it is to get help, how wide the provider network is and how smoothly your coverage works day to day.

That's why UC regularly reviews our partners to make sure you're getting good access to care, reliable service and strong value for your premiums. Starting in 2026:

- ✓ **Blue Shield of California** will be the plan administrator for UC Care and HealthSavings+. We have been working with Blue Shield, Accolade and Navitus (who will continue as our partners) for over a year to make this transition as smooth as possible.
- ✓ Anthem Blue Cross will remain the UC High Option Supplement and UC Medicare PPO administrator.
- ✓ Delta Dental will stay in place, after a thorough review found that it has the largest provider network. Instead, we're expanding benefits for some out-of-network services so it's easier and more affordable to keep seeing the dentist you prefer.

RESOURCES TO HELP YOU CHOOSE

People make decisions in many ways, so we're offering all sorts of resources to help you understand your new options. Here are a few to consider:

- ✓ Visit UCnet, the [Open Enrollment website](#) (launching Oct. 27) and ucal.us/facultystaffppo to learn all about HealthSavings+ and how it compares to UC's other medical plans.
- ✓ [ALEX](#) offers a customized comparison of medical plan premiums (including any caps or subsidies that may apply to your bargaining unit contract or location), out-of-pocket costs, and in-network providers. Information for 2026 will be available in ALEX by October 29, 2025.
- ✓ Keep an eye out for your Open Enrollment packet from UC, along with important emails from UCPath and your medical plan.
- ✓ Check your location's benefits website or visit the Open Enrollment website beginning Oct. 27 for a schedule of webinars, events and information sessions.
- ✓ Represented employees should also consult their collective bargaining agreements and unions regarding how these rates apply to them.