University of Pennsylvania

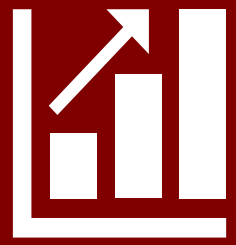
Benefits Open Enrollment 2026-2027

APRIL 20 – MAY 8

Penn
University of Pennsylvania

SUMMARY

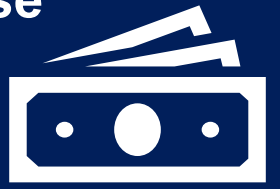
Healthcare cost trends



FY27 gross per capita medical/Rx budget increase of 12.4% mitigated to **6.7%** after design changes.

Employee payroll contributions:

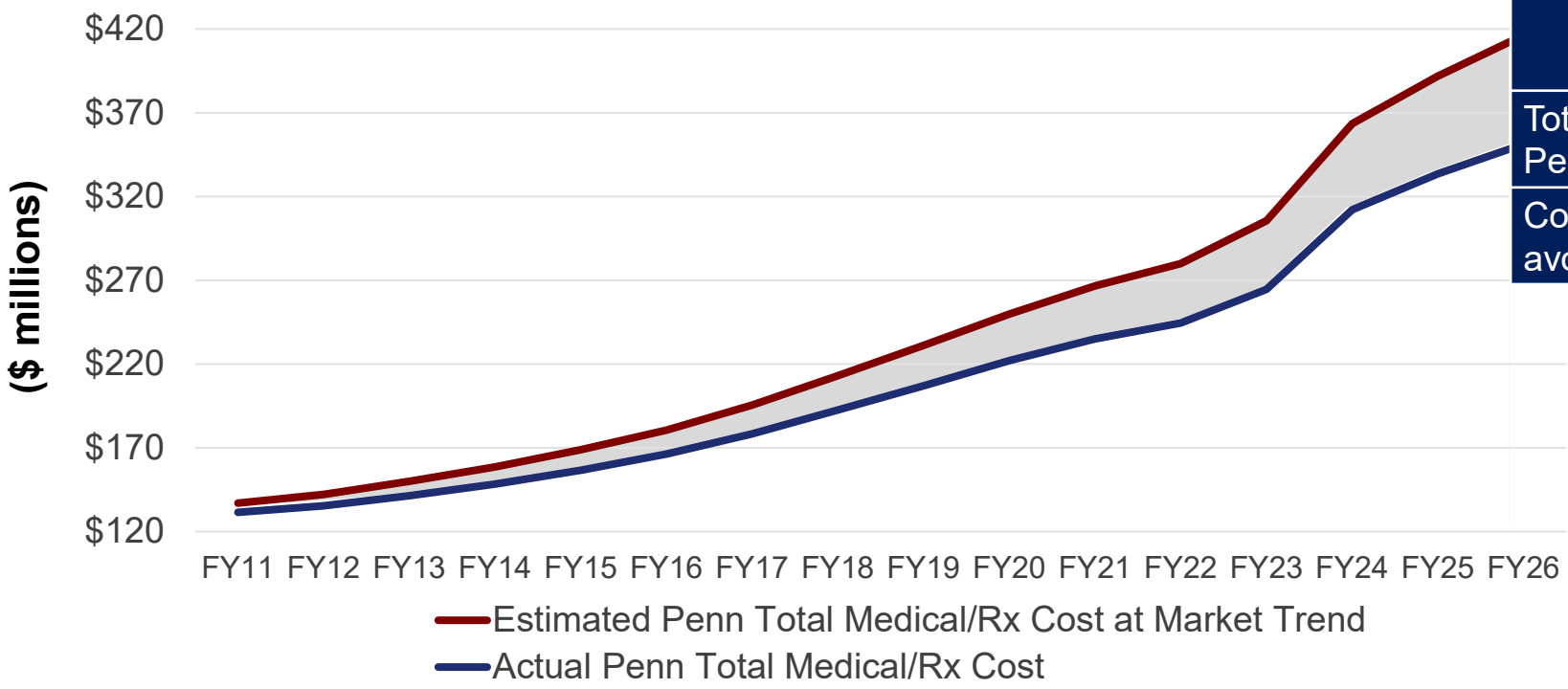
- Medical/Rx: increase of 6.7% and implementation of working spouse contribution
- Penn Dental: increase of 3.0%
- MetLife Dental: remain flat
- Vision Plans: remain flat



Vendor Selection:

- Pharmacy benefit management (PBM) services
- Short term disability (STD) and leave administration outsourcing
- Long term disability (LTD) administration, funding arrangement and potential plan design

SURVEY RESULTS INDICATE PENN'S MEDICAL/RX TREND OUTPERFORMS PEERS



Cumulative Cost Avoidance FY12 – FY26	
Total actual Penn Cost	$3.3b
Cost avoidance	$424m (13%)

Year	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26 proj.	Avg. Trend
Market trend[1]	5.5%	4.2%	4.9%	4.0%	4.4%	4.0%	4.0%	4.0%	4.9%	5.5%	5.0%	5.7%	6.0%	7.0%	8.0%	5.1%
Ivy peer trend[2]	6.9%	5.4%	6.3%	0.1%	1.5%	3.2%	5.8%	3.2%	3.5%	4.5%	3.7%	6.2%	3.5%	8.1%	8.1%	4.6%
Actual Penn trend[3]	-1.3%	5.0%	7.0%	1.5%	12.3%	0.3%	-4.8%	3.7%	-5.0%[4]	11.5%[4]	3.3%	12.1%	1.7%	12.7%	5.4%	4.2%

Penn Human Resources

MEDICAL AND RX PROGRAM COST DRIVERS

Medical

- Elevated level of high-cost claimants (members with over $100k in paid claims)
- Top conditions: Cancer, behavioral health, neurological, and circulatory
- Top cost categories impacting trend: Rx, specialist physicians and behavioral health providers, outpatient radiology and surgery, and longer inpatient admissions

Pharmacy

- Increased utilization for specialty and GLP-1s (Weight Loss and Diabetes drugs)
- Top three drug classes (overall): Anti-obesity, dermatologicals, and antineoplastics
- Top three specialty classes: Oncology, asthma, and ulcerative colitis

Members

- Spouses costing up to 27% more than employees
- Average annual increase of 400 employees (e.g., post docs) plus dependents

FY27 Benefit Program Changes

Summary of Changes

Medical Plans:

Increase medical **deductibles** by $125 single (2-3x family tiers) and **out-of-pocket maximums**) by $250 single (2-3x family tiers) for all plans

Medical Plans:

Implement **new** medical specialty **manufacturing coupon program**

Medical Plans:

Carve-in **behavioral health to IBX** for PennCare PPO plan – Re-carding

Contribution Alternative:

Implement **Working spouse additional contribution** of $100 per month

Prescription Drug/Vendor Management:

RFP in progress for Pharmacy Benefit Vendor

Prescription Drug/GLP-1s:

Implement GLP-1 weight loss medication strategy (in progress w/RFP process)

Dental Plan:

Modify MetLife **out-of-network** plan design and **reimbursement level**

2M investment to maintain 6.7% contribution increase

FY27 BUDGET PROJECTIONS – MEDICAL/RX

$ in millions	FY26 Budget Reforecasted	FY27 Budget Projection	
		Status quo	With design changes and spousal surcharge
▪ Penn Cost	**$283.3**	**$307.8**	**$297.4**
▪ Enrolled EEs	17,656	17,656	17,656
▪ Gross PEPY	$19,898	$21,762	$21,076
▪ Penn PEPY	**$16,048**	**$17,435**	**$16,956**
▪ Members	36,535	36,535	36,365
▪ Gross PMPY	$9,616	$10,517	$10,233
▪ Penn PMPY	**$7,755**	**$8,426**	**$8,232**

MEDICAL PLAN OPTIONS:

PennCare/Personal Choice PPO Plan

- Choice of Penn providers or Independence Blue Cross Network of providers

Aetna Choice POS II & Standard Plan

- National Network of Providers

Keystone/AmeriHealth HMO Plan

- Local network of providers – must select a Primary Care Provider

Aetna HDHP with HSA Plan

- National Network of providers – HSA with funding provided by Penn

PENNCARE/ PERSONAL CHOICE PPO

	PennCare Preferred Providers		Personal Choice Preferred Providers		Non-Preferred Providers (based on reasonable and customary fees)	
	FY26 Current	FY27	FY26 Current	FY27	FY26 Current	FY27
Deductible	$250 individual / $750 family	$325 individual / $975 family	$450 individual / $1,350 family	$575 individual / $1,725 family	$600 individual /$1,800 family	$725 individual / $2,175 family
Out-of-Pocket Maximum						
Copay, coinsurance, and deductible	$1,100 individual / $3,300 family	$1,350 individual / $4,050 family	$2,600 individual / $7,800 family	$2,850 individual / $8,550 family	$3,600 individual / $10,700 family	$3,850 individual / $11,550 family
Maximum Lifetime Benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

Penn Human Resources

PENNCARE/PERSONAL CHOICE PPO TRANSITIONS TO NEW BEHAVIORAL HEALTH PROVIDER

- Independence Behavioral Health Network (IBX) will replace Quest Behavioral Health as the behavioral health provider for the PennCare/Personal Choice health plan.
- Independence has made significant investments to expand and strengthen its behavioral health network, which now includes Penn Medicine providers.
- IBX is working with Quest to ensure a smooth transition, continuity of care, and expanded provider participation, including to bring some Quest providers onboard as an in-network provider.
- Behavioral health providers for all other medical plans will remain the same.

For information about your providers participation, contact the Benefit Solution Center at 866-799-2329.

AETNA CHOICE & KEYSTONE/ AMERIHEALTH

	Aetna Choice POS II				Keystone/ AmeriHealth HMO	
	In-Network		Out-of-Network (based on reasonable and customary fees)		In-Network	
	FY26 Current	FY27	FY26 Current	FY27	FY26 Current	FY27
Deductible	$400 individual/ $1,200 family	$525 individual/ $1,525 family	$900 individual/ $2,500 family	$1,025 individual/ $3,075 family	$200 individual/ $400 family	$325 individual/ $650 family
Out-of-Pocket Maximum						
Copay, coinsurance, and deductible	$1,300 individual/ $3,900 family	$1,550 individual/ $4,650 family	$2,400 individual/ $7,200 family	$2,650 individual/ $7,950 family	$1,300 individual/ $2,600 family	$1,550 individual/ $3,100 family
Maximum Lifetime Benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

AETNA HIGH DEDUCTIBLE HEALTH PLAN WITH HSA

	In-Network		Out-of-Network	
	FY26 Current	FY27	FY26 Current	FY27
Deductible	$1,650 individual / $3,300 family	$1,775 individual / $3,550 family	$1,650 individual / $3,300 family	$1,775 individual / $3,550 family
HSA Seed	$1,000 employee / $2,000 family	$1,000 employee / $2,000 family	$1,000 employee / $2,000 family	$1,000 employee / $2,000 family
Out-of-Pocket Maximum				
Copay	N/A	N/A	N/A	N/A
Coinsurance and deductible	$3,200 individual / $6,400 family	$3,550 individual / $7,100 family	$3,200 individual / $6,400 family	$3,550 individual / $7,100 family
Maximum Lifetime Benefit	Unlimited	Unlimited	Unlimited	Unlimited

Prescription Coverage

Administered by CVS Caremark

- Pay less at participating in-network pharmacies.
- Generic drugs less expensive and not subject to deductible.
- Cost varies based on whether prescription is for preventive generic drug or other type of drug.
- Mail order program offers home delivery, three-months supplies, and lower minimum and maximum coinsurance amounts.

Medical Plan Rates

2026 - 2027

Monthly	Employee	Employee + Child	Employee + Spouse	Employee + Family
PennCare / Personal Choice PPO	$281	$473	$703	$873
Aetna Choice POS II	$193	$328	$497	$618
Keystone/AmeriHealth HMO	$132	$223	$355	$437
Aetna HDHP	$115	$211	$329	$411

Weekly	Employee	Employee + Child	Employee + Spouse	Employee + Family
PennCare / Personal Choice PPO	$64.85	$109.15	$163.23	$201.46
Aetna Choice POS II	$44.54	$75.69	$114.69	$142.62
Keystone/AmeriHealth HMO	$30.46	$51.46	$81.92	$100.85
Aetna HDHP	$26.54	$48.69	$75.92	$94.85

MEDICAL PLAN: WORKING SPOUSE CONTRIBUTION

Starting July 1, 2026, an additional deduction of $100 per month ($23.08 weekly) may apply if your spouse has access to group medical coverage through an outside employer but enrolls in one of Penn's medical plans. The additional contribution will be deducted on a pre-tax basis

Who does it apply to?

- ✓A spouse eligible for medical coverage through their employer but is covered on Penn's medical plan.
- ✓A spouse eligible and enrolled in medical coverage through their employer and covered on Penn's medical plan.
- ✓A spouse eligible for retiree medical coverage through their former employer but is covered on Penn's medical plan.

Spouses who have one of the following are excluded.

- Medicare, Tricare, Medicaid
- Married couples who are both employed at Penn
- A spouse who is not employed or self self-employed
- A spouse who is employed but not eligible for medical coverage through their employer
- A spouse who works for an employer that does not offer medical coverage

All participants who cover spouses will be required to attest that they have no other coverage in order to avoid the additional charge.

Failure to complete the attestation, will result in the $100 being applied.

WORKING SPOUSE CONTRIBUTION CONSIDERATIONS

Why is Penn adding the Working Spouse Contribution?

- Penn continually evaluates its health plans to ensure they remain sustainable and competitive for employees and their families. Our data shows that, on average, covering a spouse who has access to health benefits through their own employer is more costly than covering an employee alone.
- To help manage rising healthcare costs while minimizing impact across all plan participants, Penn is encouraging families to review all available coverage options. If your spouse has access to health coverage through their own employer, we encourage you to compare that option with Penn's plans and choose the coverage that best meets your family's needs. The working spouse contribution helps balance shared responsibility for healthcare costs while continuing to support comprehensive coverage for employees and their dependents.

Should my spouse enroll in their employer's coverage if it is more expensive or doesn't meet our needs?

- Every family's situation is different, and Penn recognizes that the best coverage choice depends on your individual needs. If your spouse has access to health benefits through their employer, they may choose to enroll in that coverage as a qualifying life event effective July 1, 2026 if that option works best for your family and to avoid the working spouse contribution.
- If your spouse's employer coverage does not meet your healthcare or financial needs, you may decide that staying on one of Penn's plans is the right choice for your family. We encourage you to review your spouse's coverage options directly with their employer and make the decision that best supports your family's health, care preferences, and budget.

WORKING SPOUSE CONTRIBUTION CONSIDERATIONS

What should I consider when comparing the two plans:

First, are the plans similar types of coverage, PPO or HMO, or HDHP.

Second, look at the features of the plans such as deductibles, out of pocket maximums, copayments and co -insurance.

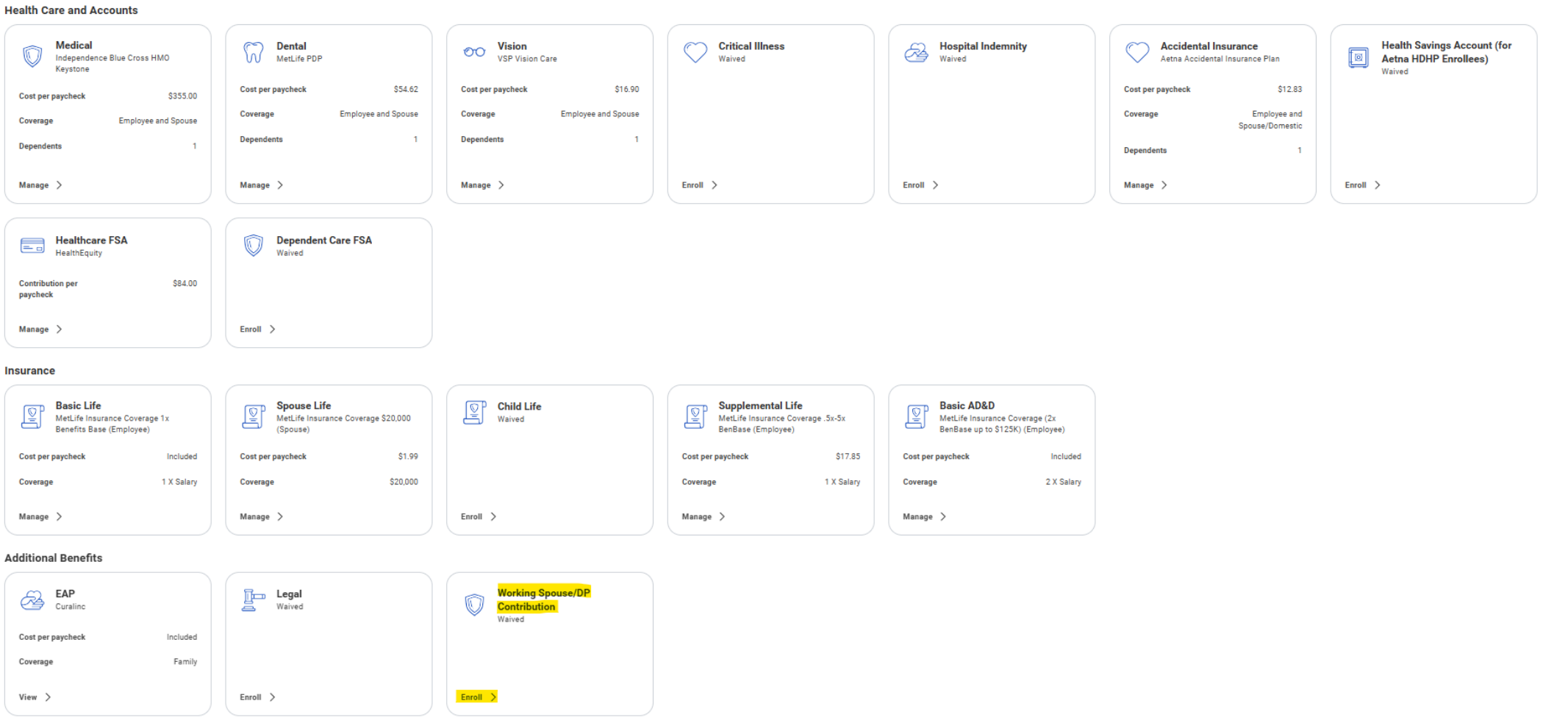
Third, when comparing high-deductible plans, how much is the deductible and the out-of-pocket maximum, and does the employer contribute to the HSA.

Review the prescription drug coverage, does it cover all the drugs you need to take.

Compare the networks, are there any restrictions as to where you can get care, are your doctors in or out of network?

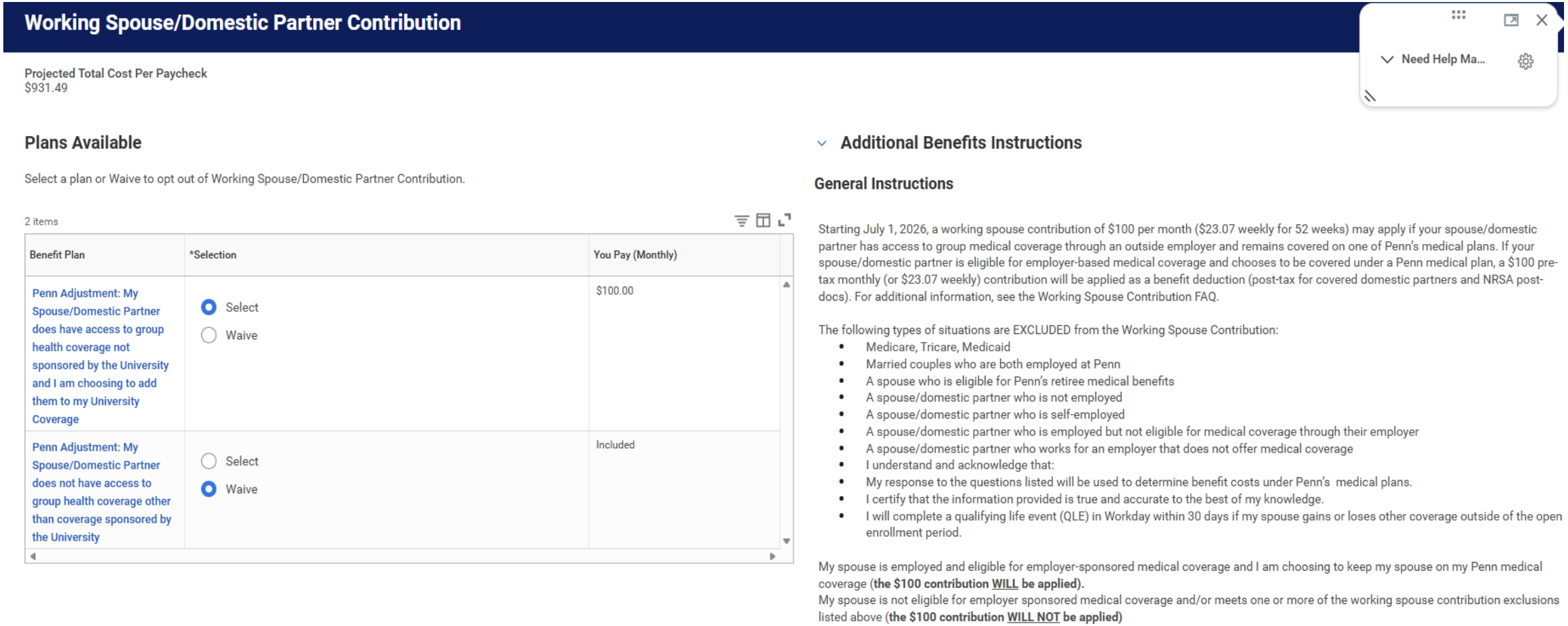
Finally, look at the payroll deduction, if you are weekly paid, compare the weekly rates, and if monthly paid compare the monthly amounts to each other (many employers are paid bi-weekly so the rates may be quoted on a biweekly basis rather than on a monthly basis).

WORKING SPOUSE CONTRIBUTION ENROLLMENT



Penn Human Resources

WORKING SPOUSE CONTRIBUTION ENROLLMENT



Working Spouse/Domestic Partner Contribution

Need Help Ma...

Projected Total Cost Per Paycheck
$931.49

Plans Available

Select a plan or Waive to opt out of Working Spouse/Domestic Partner Contribution.

2 items

Benefit Plan	*Selection	You Pay (Monthly)
Penn Adjustment: My Spouse/Domestic Partner does have access to group health coverage not sponsored by the University and I am choosing to add them to my University Coverage	(•) Select ( ) Waive	$100.00
Penn Adjustment: My Spouse/Domestic Partner does not have access to group health coverage other than coverage sponsored by the University	( ) Select (•) Waive	Included

Additional Benefits Instructions

General Instructions

Starting July 1, 2026, a working spouse contribution of $100 per month ($23.07 weekly for 52 weeks) may apply if your spouse/domestic partner has access to group medical coverage through an outside employer and remains covered on one of Penn's medical plans. If your spouse/domestic partner is eligible for employer-based medical coverage and chooses to be covered under a Penn medical plan, a $100 pre-tax monthly (or $23.07 weekly) contribution will be applied as a benefit deduction (post-tax for covered domestic partners and NRSA post-docs). For additional information, see the Working Spouse Contribution FAQ.

The following types of situations are EXCLUDED from the Working Spouse Contribution:

- Medicare, Tricare, Medicaid
- Married couples who are both employed at Penn
- A spouse who is eligible for Penn's retiree medical benefits
- A spouse/domestic partner who is not employed
- A spouse/domestic partner who is self-employed
- A spouse/domestic partner who is employed but not eligible for medical coverage through their employer
- A spouse/domestic partner who works for an employer that does not offer medical coverage
- I understand and acknowledge that:
- My response to the questions listed will be used to determine benefit costs under Penn's medical plans.
- I certify that the information provided is true and accurate to the best of my knowledge.
- I will complete a qualifying life event (QLE) in Workday within 30 days if my spouse gains or loses other coverage outside of the open enrollment period.

My spouse is employed and eligible for employer-sponsored medical coverage and I am choosing to keep my spouse on my Penn medical coverage (**the $100 contribution WILL be applied).**
My spouse is not eligible for employer sponsored medical coverage and/or meets one or more of the working spouse contribution exclusions listed above (**the $100 contribution WILL NOT be applied)**

DENTAL PLAN OPTIONS:

MetLife Preferred Dentist Program

- Choice of Preferred and Non-Preferred Providers
- Deductible $50; coinsurance based on level of treatment
- Preventive/diagnostic services covered at 100% at preferred providers
- Orthodontics covered at $1,500 lifetime maximum per individual
- Annual plan maximum of $2,000

Penn Family Plan

- Must use the two Penn Dental Family Practice locations
- No deductible; coinsurance based on level of treatment
- Preventive/diagnostic services covered at 100%
- Orthodontics covered at $2,000 lifetime maximum per individual
- Annual plan maximum of $3,000

METLIFE PREFERRED DENTIST PROGRAM

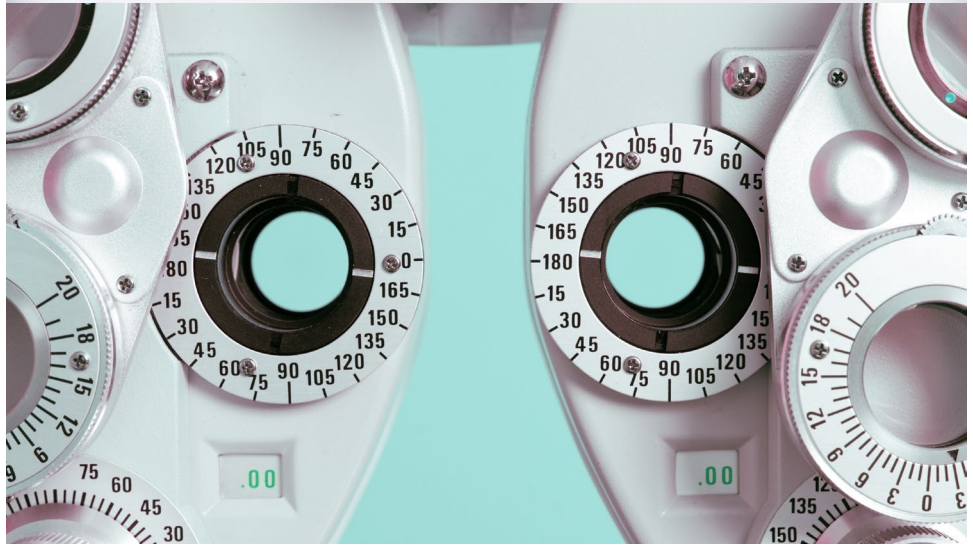
	Preferred Provider	Non-Preferred Provider
Deductible	$50 individual	$75 individual/$225 family
Diagnostic Care *(e.g. exams, x-rays)*	100%	90%
Preventive Care *(e.g., cleanings)*	100%	90%
Restorative Care *(e.g., fillings)*	90% after deductible	80% if R&C after deductible
Oral Surgery *(e.g., extractions)*	$0 copay after deductible	$0 copay of R&C after deductible
Endodontics *(e.g., root canal therapy)*	80% after deductible	70% of R&C after deductible
Periodontics *(e.g., gum treatment)*	80% after deductible	70% of R&C after deductible
Prosthodontics *(e.g., bridges, dentures)*	50% after deductible	40% of R&C after deductible
Crowns and Restorations	50% after deductible	40% of R&C after deductible
Implants	50% after deductible	40% of R&C after deductible
Orthodontics	50% *($1,500 lifetime max per adult/child)* after deductible	40% of R&C *($1,250 lifetime max per adult/child)* after deductible
Cosmetics *(e.g., veneers, microabraision and bonding. Bleaching is excluded)*	Not Covered	Not covered
Annual Maximum *(what the plan pays)*	$2,000 per individual	$1,500 per individual

Dental Plan Rates

2026 - 2027

Monthly	Employee	Employee + Child	Employee + Spouse	Employee + Family
Penn Family Plan	$46.52	$102.92	$91.28	$145.18
MetLife Dental	$27.34	$60.18	$54.62	$82.03

Weekly	Employee	Employee + Child	Employee + Spouse	Employee + Family
Penn Family Plan	$10.74	$23.75	$21.06	$33.50
MetLife Dental	$6.31	$13.89	$12.60	$18.93



VISION PLAN OPTIONS:

Davis Vision

- Choice of in-network or out-of-network providers
- Lowest charges at Penn Scheie Eye Institute (seven locations)

VSP Vision

- Choice of in-network or out-of-network providers

VSP Choice

- Choice of in-network or out-of-network providers
- VSP EasyOptions gives additional allowances for frames, lenses, and contacts.

Vision Plan Rates

2026 - 2027

Monthly	Employee	Employee + Child	Employee + Spouse	Employee + Family
Davis Vision	$4.73	$7.65	$10.21	$13.01
VSP	$7.83	$12.71	$16.90	$21.56
VSP Choice	$11.80	$19.19	$25.50	$32.52

Weekly	Employee	Employee + Child	Employee + Spouse	Employee + Family
Davis Vision	$1.09	$1.77	$2.36	$3.00
VSP	$1.81	$2.93	$3.90	$4.98
VSP Choice	$2.72	$4.43	$5.88	$7.50

FLEXIBLE SPENDING ACCOUNTS

Health Care Spending Account

- You set aside an amount pre-tax from each pay to use to reimburse yourself for eligible medical expenses.
- The Health Care FSA has a limit of $3400 with a rollover amount of $680.
- Debit card for both current and carry over funds. Cannot change goal amount (except for Open Enrollment or qualifying event).

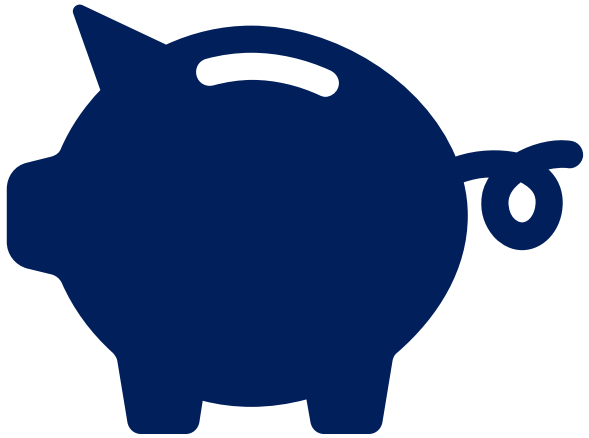
Dependent Care Spending Account

- You set aside an amount pre-tax from each pay to reimburse yourself for daycare or other childcare expenses for dependent child(ren) under age 13.
- The Dependent Care FSA has a new limit of $7500. Highly Comp employees limit is $2500.
- Cannot change goal amount (except for Open Enrollment or qualifying event).

Save receipts in case proof of eligible expense is required!

Health Savings Account

Attached to High-Deductible Health Plan



- Must be enrolled in High Deductible Health Plan to have HSA.
- Cannot participate in both HSA and Flexible Spending Account (FSA).
- Single Coverage - Penn will contribute $1,000; IRS limit for employee contributions is $4,400.
- Family Coverage - Penn will contribute $2,000; IRS limit for employee contributions is $8,750.
- You and your spouse cannot participate in a Health Care Flexible Spending Account.
- You cannot enroll in any other health care coverage plans, including Medicare.
- If age 55+, you can contribute an additional $1,000.

Life Insurance Benefit

Administered by MetLife

Basic Life

- coverage amount equals "benefits base salary"
- coverage over $50,000 is imputed income

Supplemental Life

- can select up to the max of five times during new hire window
- can increase by 1x per o/e period (if not already at 5x max)
- combined Basic and Supplemental max of $1,300,000 if supplemental exceeds $750,000, you must provide Evidence of Insurability
- rates increase in 5-year age brackets

Dependent Life

- spouse $20,000
- children $10,000 (up to age 26)

Make/update your beneficiary designation in Workday.

Fertility Benefits

by Carrot Fertility

- You must be enrolled in one of Penn's medical plans.
- Support includes:
  - Understanding fertility health
  - Assisted reproduction (e.g., in vitro fertilization)
  - Pregnancy
- Flat $30,000 lifetime maximum
- Adoption benefit - $10,000

Voluntary Benefits

"Penn Benefit EXTRAS"

BENEFIT	WHERE TO ENROLL	WHEN YOU CAN ENROLL
Critical illness insurance	Workday	Only during Open Enrollment
Accident insurance	Workday	Only during Open Enrollment
Hospital indemnity	Workday	Only during Open Enrollment
Legal Services Plan	Workday	Only during Open Enrollment
Pet Insurance	Corestream Website	Anytime
Pet Wellness plan	Corestream Website	Only during Open Enrollment
Identify theft Protection	Corestream Website	Anytime

More information can be found here: Penn Benefit Extras

ENROLLMENT MATERIAL

Fair Information

- Open Enrollment Fairs:
  - April 28 Houston Hall 10am - 2pm
  - April 29 New Bolton Center 10am - 2pm

Benefit Info Sessions

- Tuesday, April 21: 11am – 12pm (in-person)
- Thursday, April 23: 12pm – 1pm (virtual)
- Monday, April 27: 12:30 – 1:30pm (virtual)
- Thursday, April 30: 12pm -1pm (in-person)
- Friday, May 1 : 12pm – 1pm (virtual)
- Thursday, May 7: 11:30-12:30 (virtual)

Benefits Solution center

Powered by Health Advocate

- Assist with enrollment
- Explain benefits
- Find qualified doctors
- Provide cost estimates
- Locate eldercare services
- Support with EAP
- Navigate insurance plans
- Straighten out claims
- Assist with transferring medical records
- Secure second opinions

For more information

Phone: 866-799-2329
Email: answers@healthadvocate.com
Monday - Friday 8am-10pm

Changing Your Coverage in WORKDAY

During Open Enrollment

- Annually
- Changes effective July 1

After a Qualified Life Event

- Marriage, divorce, birth of child, loss of other coverage, etc.
- Must make change within 30 days

www.workday.upenn.edu

For more information, see self-service tip sheets:

- Self Service: Manage, View, and Change Your Open Enrollment Elections
- Self Service: Manage, View, and Change Your Benefits

Penn Human Resources

Questions?

Penn
University of Pennsylvania