2027

City of Detroit
General Retiree Healthcare Trust
Open Enrollment Information



MEDICAL | DENTAL | VISION

HEALTH REIMBURSEMENT ACCOUNT

City of Detroit General Retiree Healthcare Trust

IMPORTANT INFORMATION ABOUT YOUR 2027 OPEN ENROLLMENT

Dear City of Detroit General Retiree/Surviving Spouse:

It's time for your 2027 Open Enrollment. Open Enrollment begins **October 26, 2026**, and ends **November 27, 2026**. This is the time to review your current healthcare coverage and make elections or changes for your 2027 Plan Year, if desired. Prior to making this important decision we encourage you to carefully read through this book and the enclosed rate sheet so you will be aware of the healthcare options and benefits that are available to eligible General City Retirees and their eligible Surviving Spouses through the VEBA, and the cost of that coverage for the 2027 Plan Year.

The number of Medicare Advantage Plans that will be offered has been reduced from 5 to 2 – one PPO and one HMO. The PPO will be the current Blue Cross Blue Shield Medicare Advantage Plan (BCBSM); the HMO will be the current HAP Medicare Advantage HMO. This will only impact less than 10% of the participants currently enrolled in our Medicare Advantage Plans. To avoid any enrollment gaps and the resultant problems, participants currently enrolled in HUMANA, Blue Care Network and Priority Health will be defaulted into the BCBSM Plan unless they choose HAP or select an HRA.

If, after review, you find you are satisfied with your current medical, dental, vision or HRA elections and you do not wish to make any changes, there is no need to take any action. Your current elections will automatically continue and the amount you are required to pay will be adjusted, if needed, to the 2027 rate. However, if you wish to change your coverage you must do so during the Open Enrollment period. New enrollments, benefit changes, the 2027 rates, and any changes you choose to make to your current coverage will be effective January 1, 2027. If you would like to view a more detailed benefit comparison chart, it is posted on the website, www.ourbenefitoffice.com/mydetroitretireebenefits or a paper copy can be mailed by calling BeneSys, Inc. at (844) 563-8911.

BeneSys, Inc. will continue to process your 2027 enrollment requests, manage the HRA program, and deal with the day-to-day activities related to the administration of all VEBA healthcare plans. If you have questions, including if you are not sure what your current elections are, we encourage you to contact the BeneSys staff at (844) 563-8911 to review your current benefit elections and options. BeneSys is available to assist you during open enrollment and throughout the year.

Please review the Summary Annual Report found on page 15 and FAQs on pages 18-20 for information on the financial status of the Trust as of December 31, 2025 and the reasons for reducing the number of medical plans we offer.

Benefit Enhancements: During 2026 the Trustees, with our Health Care Consultants, did an extensive analysis of both our current Medicare Advantage Plans and some large, national competitors. The Trustees decided that reducing the number of medical plans offered would be the best approach to restrain costs and improve benefits for all participants. For 2027:

- There will be no premium charges for participants in either BCBSM or HAP.
- The Maximum Out-of-Pocket liability for BCBSM participants will be reduced from $2,500 to $2,000 (in-network) and $5,000 to $4,000 (combined in-network and out-of-network services).
- The HRA reimbursement will be increased by $10/month for all categories.

We encourage all participants to read the FAQs (pages 18-20) to get a better understanding of these developments. The Trustees still face long-term challenges and uncertainties and will continue our work to provide you the best and most efficient health care we can.

Sincerely,
Board of Trustees of the City of Detroit General Retiree Healthcare Trust

Table of Contents

General Information 5

Health Reimbursement Arrangement (HRA) FAQ's 8

2027 VEBA Healthcare Options 9

Enrollment options for Medicare-eligible retirees who qualify for healthcare and retired on or BEFORE December 31, 2014 10

Enrollment options for non-Medicare-eligible retirees who qualify for healthcare and retired on or BEFORE December 31, 2014 10

Benefit Summary Comparison Charts 11

Medical and Prescription Drug Plan Options for Medicare-eligible retirees who retired on or before December 31, 2014 11

Dental Plan Options for Medicare and non-Medicare eligible retirees 12

Vision Plan Options for Medicare and non-Medicare eligible retirees 13

How to Register on the Website 14

Summary Annual Report Fiscal Year Ending December 31, 2025 15

Board of Trustees 16

Summary Fact Sheet 17

Frequently Asked Questions (FAQs) 18

Important Phone Numbers ..... Inside Back Cover

General Information

When is Open Enrollment?

Open Enrollment for medical, dental and vision starts on October 26, 2026 and continues through November 27, 2026. The deadline for submission of all enrollment changes is **November 27, 2026**. Enrollment changes received after November 27, 2026 will not be processed.

What changes will be made to Retiree healthcare in 2027?

Medical benefits under the Medicare Advantage Plans will be changing: ONLY BCBSM MEDICARE PLUS BLUE PPO and HAP SENIOR PLUS HMO ARE BEING OFFERED. THE TRUST WILL NO LONGER OFFER BCN, HUMANA, and PRIORITY HEALTH. The prescription drug coverage for BCBSM Medicare Plus Blue PPO will stay the same but there will be a separate card provided. The HAP Senior Plus HMO prescription drug coverage remains the same. For 2027, there will be no premium cost for members for the BCBSM Medicare Plus Blue PPO and HAP Senior Plus HMO.

Dental and vision coverage will continue to be available, with retirees paying the full cost for such coverage. Please note that there are premium changes for Dental coverage in 2027. In addition, Heritage Vision Local plan is a two-year plan, so if you enroll in the Heritage Vision Local plan in 2027 you cannot switch to another vision plan until the 2029 open enrollment period.

To reduce the cost associated with Open Enrollment Mailings we have reduced the amount of materials being included in this packet. There is a summary of benefits included here. Detailed benefit comparison charts for medical, dental and vision are available on the website (www.ourbenefitoffice.com/mydetroitretireebenefits). If you would like a paper copy, please call BeneSys, Inc. at (844) 563-8911 to request it be mailed.

Do I need to enroll or make changes during open enrollment?

If you are enrolled in a BCN, Humana, or Priority Health Medicare Advantage Plan, you must select a new plan for 2027. If you do not, you will be automatically enrolled in BCBSM Medicare Plus Blue PPO effective January 1, 2027. If you are enrolled in BCBSM Medicare Plus Blue PPO, HAP Senior Plus HMO, HRA, dental, or vision and do **NOT** want changes, **NO** action is needed during open enrollment.

You must only act during this open enrollment period if you:

- are currently enrolled in BCN, Humana or Priority Health. You must select a new medical plan or the HRA for 2027;
- are currently enrolled, but want to switch to a different medical/prescription drug, HRA, dental, and/or vision plan;
- are currently enrolled and want to add or remove dependent coverage from your Medicare Advantage, HRA, dental and/or vision coverage;
- are currently enrolled and want to terminate or stop your Medicare Advantage, HRA, dental or vision coverage;
- wish to opt-out from coverage under the VEBA's Medicare Advantage program and enroll in the VEBA's Health Reimbursement Arrangement (HRA) program; and
- are eligible for the increased HRA benefit due to a household income of less than $75,000. (In order to qualify for the increased HRA benefit you must submit a Federal Tax Return Transcript to verify your household income, and IRS Form 1095-A to verify insurance through a Public Exchange. (See page 8 for further information.)

If you are unsure of your current coverage please contact BeneSys at (844) 563-8911.

How do I enroll or make changes?

If you wish to enroll or make changes to your plans, add or remove dependent(s) coverage, you may do so online at **www.ourbenefitoffice.com/mydetroitretireebenefits**. The Open Enrollment portion of the website will be available 24 hours a day, 7 days a week beginning October 26, 2026 through November 27, 2026. Please see page 14 of this booklet for instructions on how to register online. If you need help with online registration, please contact BeneSys at (844) 563-8911.

If you do not have access to the internet, you may complete the enclosed enrollment form and return it to BeneSys at P.O. Box 4955, Troy, MI 48099-4955. For your convenience, enclosed is a self-addressed envelope you can use. Be sure to place the appropriate postage on the envelope before mailing. If you require additional assistance, please contact a BeneSys Member Services Representative at (844) 563-8911.

Can I make changes to my medical coverage during the year?

As is common in most group insurance plans, once the coverage period begins, you cannot switch to another plan, terminate coverage, add or remove dependents or otherwise make changes during the coverage year unless a verifiable qualifying life event occurs. (Examples of qualifying life events include, death, marriage, divorce, enrollment in Medicare Part A and Part B, loss of coverage, eligibility for coverage as an early retiree or resulting from new employment, permanent address change in instances where your current healthcare plan is not available in the new area.) Qualifying life events must be reported to BeneSys within thirty (30) days of the event. Notification beyond thirty (30) days of the event will delay the effective date of the coverage change to the first day of the calendar month following the date on which notification was made. If failure to report a qualifying life event within thirty (30) days results in additional benefit costs to the VEBA due to non-termination of benefits, you may be held responsible for such additional costs.

Can I enroll in another prescription drug or medical plan during the year?

No. If you join another medical and/or prescription drug plan (this includes coverage you may have through another family member or one that is purchased through an individual health insurance plan), your medical and prescription drug coverage (and your spouse's medical and prescription drug coverage, if enrolled) under the VEBA's Medicare Advantage Plan will be automatically terminated. If coverage is terminated due to enrolling in another medical and/or prescription drug plan during the coverage year, you (and your spouse) will not be eligible to re-enroll in the VEBA's Medicare Advantage Plans during the 2027 coverage period; you (and your spouse) will have to wait until the next Open Enrollment period. If you are enrolled in the VEBA's Medicare Advantage Plan and decide you want to join another medical or prescription drug plan during the coverage year, please call BeneSys at (844) 563-8911 **BEFORE** you enroll in the other plan.

Can I make changes to my dental and/or vision coverage during the year?

You cannot switch to another dental or vision plan during the coverage year. But, if you wish to terminate your dental or vision plan during the coverage year you are permitted to do so. However, please note, if you terminate your dental and/or vision coverage during the 2027 plan year, you will not be eligible to re-enroll for dental/vision coverage until the 2029 open enrollment period.

Am I required to be enrolled in Medicare to qualify for VEBA medical coverage?

Yes, all persons enrolled in the Medicare Advantage Plans offered through the VEBA must be enrolled in Medicare Part A and Part B and continue paying their Medicare Part B premiums.

Is documentation required when adding a dependent?

Yes, when adding dependents to your healthcare coverage you will be required to submit documentation to substantiate eligibility for coverage. Examples of documentation that may be required include, but are not limited to: birth certificate, marriage certificate (a marriage license is not accepted), legal guardianship papers (stating full and permanent custody), proof of residency, and a Federal Tax Return Transcript.

Providing False Information:

Retirees who submit false information intended to provide health care coverage for alleged dependents not eligible for such coverage will be held financially responsible for all claims filed, and will be required to reimburse the VEBA for any payments made on behalf of or for the benefit of an ineligible person claimed as a dependent. Also, be aware that even if you had been married while you were actively employed, if that former marital partner is now divorced from you (is your ex-spouse) then he/she is NOT eligible for our retiree healthcare benefits even though you are.

Audits:

Periodic audits will be conducted to ensure that retirees, spouses and dependents currently enrolled in VEBA healthcare plans are eligible for coverage. During these audits, the terms and conditions of your retirement will be examined. In addition, retirees will be required to provide documentation to substantiate that their covered dependents continue to be eligible for coverage. If you receive a notice of audit, you must provide the documentation within the time period specified in the notice or the coverage for your dependent will be terminated. If it is determined that a retiree and/or his/her dependent is not eligible for healthcare the coverage will be immediately terminated.

Note: It is the responsibility of the retiree/beneficiary to notify BeneSys when covered dependents are no longer eligible for healthcare coverage. Events that can make a dependent ineligible for coverage include, but are not limited to, marriage, divorce, age or no longer being a dependent of the retiree/beneficiary (i.e., can no longer be claimed as a dependent on his/her federal income tax return). In general, the termination of coverage becomes effective at the end of the month in which the disqualifying event occurs. However, the coverage termination date for an ex-spouse is the date of the divorce decree. Please note that you will be financially responsible for all claims and premiums associated with an ineligible dependent.

How do I pay for my healthcare plans?

The required monthly payment for your medical, dental and/or vision plan will be automatically deducted from your monthly pension check. The amount being deducted appears on your pension check stub. You are responsible for monitoring your pension check stubs to verify that the deductions are proper. If an incorrect amount is being deducted, you must immediately report it to BeneSys.

Who do I contact to change my address?

It is important to keep your address updated in two places, the City of Detroit Pension Office and BeneSys.

You are required to notify BeneSys of your address change so that you will continue to receive information from the VEBA and other mailings regarding healthcare benefits. To change your address for healthcare purposes please contact BeneSys at (844) 563-8911.

Health Reimbursement Arrangement (HRA) FAQ's

What is the HRA Account?

The *Health Reimbursement Arrangement* (HRA) is a bookkeeping account that will be established for any Medicare Retiree who retired on or before December 31, 2014 and has elected to opt out of the Medicare Advantage Plans provided through the VEBA. Additionally, Non-Medicare eligible Retirees who retired on or before December 31, 2014, and who have obtained health insurance via the Health Insurance Marketplaces, also known as Exchanges, are also eligible to receive a monthly HRA benefit.

What can I use the HRA account for?

The HRA may be used for all "qualified medical expenses." A partial list is provided in IRS Pub 502 (available at www.irs.gov). **Effective January 1, 2025, those enrolled in the HRA can submit one claim for their Medicare Part B Premium or other Medical Insurance Premium and have monthly recurring reimbursements set up. You will no longer have to submit a new claim every month if you are asking for reimbursement of your Medicare Part B Premium or other Medical Insurance Premium. You will find a new section on the HRA Form that will allow you to submit your premium for recurring monthly reimbursements. You will need to submit supporting documentation for the monthly premiums you pay.**

Where do I obtain HRA Claim Forms?

You may call BeneSys at (844) 563-8911 to have a Claim Form mailed to you or you may obtain a form by visiting our website at **www.ourbenefitoffice.com/mydetroitretireebenefits**.

Is there a time limit to file for HRA Benefits?

Yes, HRA Claims must be filed by March 31st of the year following the Plan Year in which the expense was incurred.

How can I submit my HRA reimbursement request?

Mail your HRA Reimbursement requests to:
City of Detroit General Retiree Healthcare Trust, P.O. Box 4955, Troy, Michigan 48099-4955
Fax: (248) 876-4355
Email: CityofDetroitGeneralHRAclaims@benesys.com

What if my total household income is $75,000 or less?

If your total household income is $75,000 or less and you purchased health insurance through a policy on a public exchange you may be eligible to receive an additional monthly HRA benefit. **You will be required to provide a copy of your IRS Form 1095-A as verification of coverage purchased through a public exchange along with a copy of your tax return transcript from the previous year.** To obtain a copy of your tax return transcript call (800) 908-9946 or visit www.irs.gov/form4506t. If you have questions call BeneSys at (844) 563-8911

If I opt out can my spouse stay in the VEBA's Medicare Advantage Plan?

No. When you opt out of the VEBA's Medicare Advantage Plan you and your spouse will no longer have medical/prescription drug coverage under the VEBA's Medicare Advantage Plan.

What if I'm already receiving a tax credit?

Please be advised that HRA coverage through the VEBA will be considered "other health coverage" and may result in your ineligibility for federal tax credits on the public exchanges. Therefore, if you are currently receiving federal tax credits through the public exchanges, you may elect to opt-out of coverage via the VEBA's Open Enrollment in order to preserve your eligibility for such tax credits on the public health exchanges. You may need to contact your accountant for additional information regarding your eligibility.



City of Detroit General Retiree Healthcare Trust

2027
VEBA Healthcare Options

Enrollment options for retirees who qualify for healthcare and retired on or BEFORE December 31, 2014

Medicare-Eligible Retiree Options

Medical and Prescription Drug Plan Options: All medical plans offered through the VEBA are Medicare Advantage Plans that include prescription drug coverage and assistance with hearing aids. You must be enrolled in Medicare Part A and Part B and continue to pay your Medicare Part B premium to enroll and maintain coverage in Medicare Advantage Plans.

- BCBSM Medicare Plus Blue Group PPO (available anywhere in the U.S.A.)
- HAP Senior Plus PPO (available in Michigan only)

Health Reimbursement Account (HRA): Medicare eligible retirees and retiree spouses who meet the below criteria, who do not wish to enroll in the Medicare Advantage Plans offered through the VEBA, can opt-out of the VEBA's medical coverage and establish an HRA credited to your account monthly.

- Medicare-eligible Retiree $140.00
- Medicare-eligible Retiree Spouse who is insured through a Public Exchange and whose household income is less than $75,000* $150.00
- Medicare-eligible Surviving Spouse married to retiree at time of retirement $140.00

Dental Plan Options

- Blue Cross Blue Shield Dental PPO
- Delta Dental High Plan
- Delta Dental Low Plan
- DENCAP Dental DHMO *MI only, $10 Office Visit Co-Pay*

Vision Plan Options:

- Heritage Vision Standard Plan
- Heritage Vision National Plan
- Vision Service Plan (VSP)

Non Medicare-Eligible Retiree Options

Health Reimbursement Account (HRA):

- Non Medicare-eligible Retiree (Pre-65) $150.00
- Non Medicare-eligible Retiree Spouse who is also Non Medicare-eligible, insured through a Public Exchange and whose household income is less than $75,000* $150.00
- Non Medicare-eligible Retiree, insured through a Public Exchange and whose household income is less than $75,000* $200.00
- Non Medicare-eligible Retiree Duty Disabled $355.00
- Non Medicare-eligible Surviving Spouse married to retiree at time of retirement $150.00

Dental Plan Options

- Blue Cross Blue Shield Dental PPO
- Delta Dental High Plan
- Delta Dental Low Plan
- DENCAP Dental DHMO *MI only, $10 Office Visit Co-Pay*

Vision Plan Options:

- Heritage Vision Standard Plan
- Heritage Vision National Plan
- Vision Service Plan (VSP)

*If you are eligible for the increased HRA benefit due to a household income of less than $75,000, you are required to submit a Federal Tax Return Transcript for Income Verification and Form 1095-A to verify coverage through a public exchange.

Medicare Plan Information
City of Detroit General Retiree Health Care Trust
Members/Spouses

2027

	BCBSM Medicare Plus Blue Group PPO	HAP Senior Plus HMO
Monthly Contribution	$0 Single $0 Member +1	$0 Single $0 Member +1
Deductible (Amount you pay annually before the plan begins to pay a portion of the costs)	$500/ Per Person	$500/ Per Person
Percent Copayments (Amount you pay after your deductible is met)	20% for select services	10% for select services
Out-of-Pocket Max (Total amount you pay annually before the plan covers 100% of covered costs)	$2,000	$2,700
Primary Care Physician (PCP) Office Visit	$25	$20
Prescription Drug Deductible	$0	$0 Generic, $100 Brand
Prescription Drug Preferred Generic	PPN: $10 copay SP: $20 copay	$3 copay
Prescription Drug Non-Preferred Generic	PPN: $10 copay SP: $20 copay	$15 copay
Prescription Drug Preferred Brand Name	PPN: $45 copay SP: $60 copay	$45 copay
Prescription Drug Non-Preferred Name Brand	50% coinsurance with $60 min. copay and $120 max copay	30% coinsurance
Prescription Drug Mail Order	Two times the applicable generic and brand copay for 90-day supply	Two times the applicable generic and brand copay for 90-day supply

Dental Plan Options
City of Detroit General Retiree Health Care Trust
Members/Spouses

2027

	Blue Cross Dental Plan	Delta Dental High Plan	Delta Dental Low Plan	DENCAP Coverage in Michigan Only $10 Office Visit Co-Pay
Monthly Contribution	$32.08 - Single $64.16 - Two Person $96.24 - Family	$34.98 - Single $68.18 - Two Person $121.26 - Family	$28.94 - Single $55.98 - Two Person $97.83 - Family	$23.65 - Single $40.40 - Two Person $60.35 - Family
Maximum Annual Amount (Amount of coverage available annually)	$1,500/ Per Person	$1,000/ Per Person	$800/ Per Person	$2,500 Annual Max $800 Specialty Max $3,300 Per Person
Oral Examinations (Twice per year)	100% In-Network 50% Out-of-Network	100% PPO Dentist 100% Premier Dentist 100% Out-of-network Dentist	100% PPO Dentist 100% Premier Dentist 75% Out-of-network Dentist	100%
X-Rays (Limitations depending on type of X-Ray)	100% In-Network 50% Out-of-Network	100% PPO Dentist 100% Premier Dentist 100% Out-of-network Dentist	100% PPO Dentist 100% Premier Dentist 75% Out-of-network Dentist	100%
Prophylaxis - Teeth Cleaning (Twice per year)	100% In-Network 50% Out-of-Network	100% PPO Dentist 100% Premier Dentist 100% Out-of-network Dentist	100% PPO Dentist 100% Premier Dentist 75% Out-of-network Dentist	100%
Fillings: amalgam, composite	80% In-Network 50% Out-of-Network	80% PPO Dentist 50% Premier Dentist 50% Out-of-network Dentist	50% PPO Dentist 50% Premier Dentist 50% Out-of-network Dentist	85%*
Crowns: porcelains or metal	50% In-Network 50% Out-of-Network	50% PPO Dentist 50% Premier Dentist 50% Out-of-network Dentist	50% PPO Dentist 50% Premier Dentist 50% Out-of-network Dentist	80%*
Root Canal Therapy	80% In-Network 50% Out-of-Network	80% PPO Dentist 50% Premier Dentist 50% Out-of-network Dentist	50% PPO Dentist 50% Premier Dentist 50% Out-of-network Dentist	85%*

*PERCENTAGES are APPROXIMATE, see co-payments as listed on the Schedule of Benefits and Fixed Co-Pays.

Vision Plan Options
City of Detroit General Retiree Health Care Trust
Members/Spouses

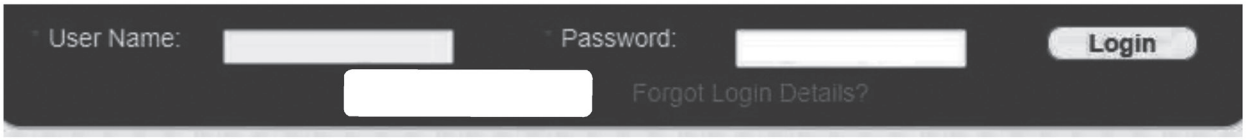
2027

	Heritage Local Vision Plan	Heritage National Vision Plan	Vision Service Plan (VSP)
Monthly Contribution	$6.46 - Single $6.46 - Two Person $6.46 - Family	$6.61 - Single $13.18 - Two Person $13.18 - Family	$5.98 - Single $11.94 - Two Person $19.24 - Family
Frequency of Benefit (Amount of coverage available)	Once every **24** months from date of last service	Once every **12** months from date of last service	Once every plan year
Eyeglasses Eye Examinations (comprehensive exam for eyeglasses, does not apply to contact lens exam)	100% In-Network Out-of-Network; reimbursed up to $25.00	100% In-Network $5.00 copay Out-of-Network; reimbursed up to $45.00	$5.00 Copay
Frames	In-Network: $100.00 retail allowance Out-of-Network: reimbursed up to $30.00	In-Network: $130.00 retail allowance Out-of-Network: reimbursed up to $70.00	In-Network: $130.00 retail allowance Out-of-Network: reimbursed up to $70.00
Single Vision Lenses	In-Network: 100% Out of Network: Reimbursed up to $30.00	In-Network: $10.00 copay Out of Network: Reimbursed up to $30.00	100%
Lined Bifocal Lenses	In-Network: 100% Out of Network: Reimbursed up to $35.00	In-Network: $10.00 copay Out of Network: Reimbursed up to $50.00	100%
Lined Trifocal Lenses	In-Network: 100% Out of Network: Reimbursed up to $40.00	In-Network: $10.00 copay Out of Network: Reimbursed up to $65.00	100%
Contact Lense Eye Examinations (comprehensive exam for contact lenses, applies to contact lens exam and fitting)	In-Network: 100%, $40.00 copay Out-of-Network: N/A	In-Network: 100%, $40.00 copay Out-of-Network: N/A	100%, up to $60.00 Copay
Contact Lenses Medically Necessary	In-Network: $45.00 retail allowance Out-of-Network: Reimbursed up to $40.00	In-Network: $10.00 copay Out-of-Network: Reimbursed up to $210.00	In-Network: $10.00 copay Out-of-Network: Reimbursed up to $210.00
Hearing Aid Discount Program	Amplifon Hearing - Average of 60% savings, wide choice of products, risk-free trial, follow-up care	Amplifon Hearing - Average of 60% savings, wide choice of products, risk-free trial, follow-up care	TruHearing - Average 60% discount, 45-day free trial, free batteries, network of 6,000 providers

How to Register on the Website

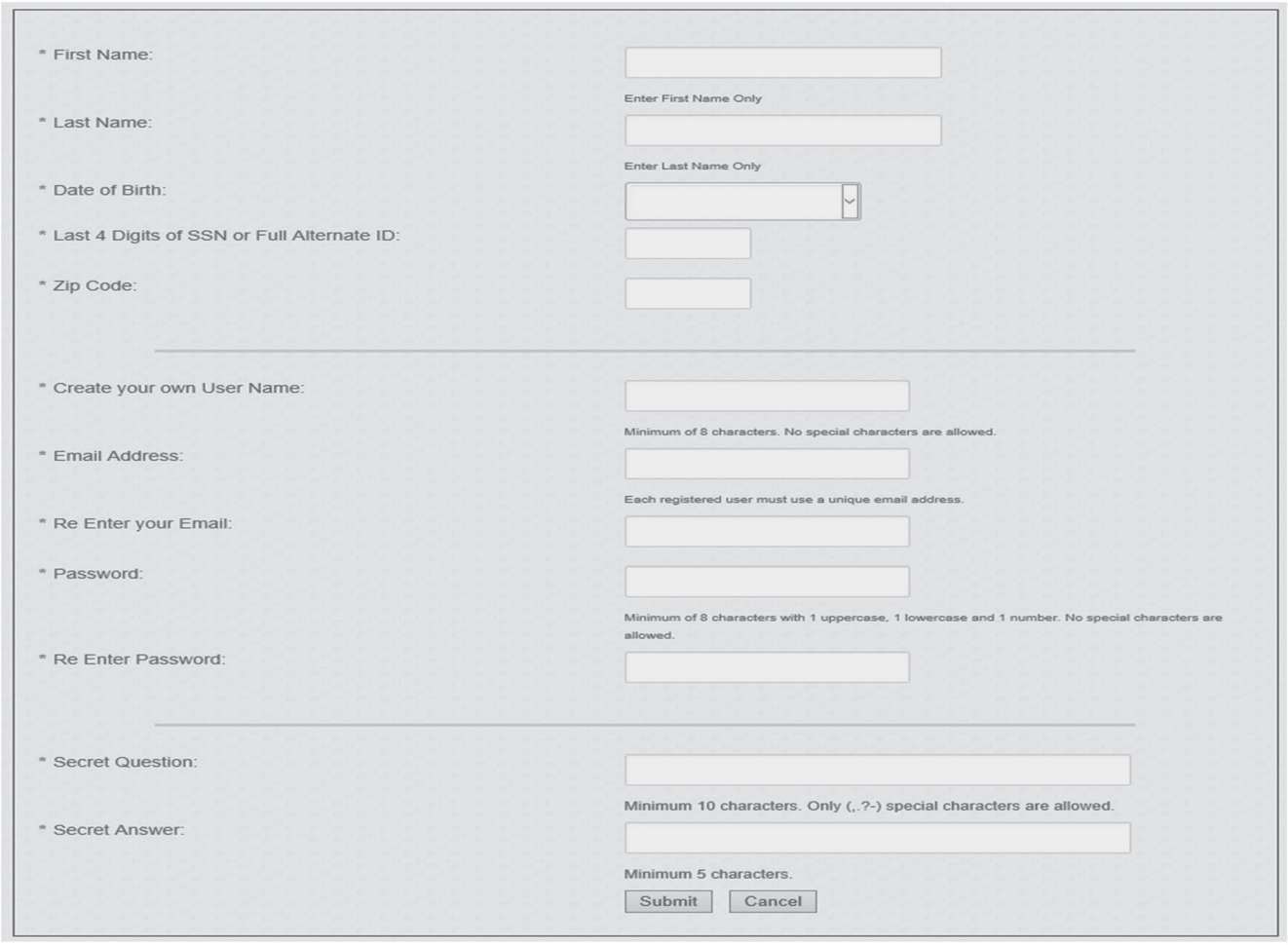
When registering for the first time, please follow these instructions:

1. From your computer, **www.ourbenefitoffice.com/mydetroitretireebenefits** to connect to the website.
2. Locate the Login box in the upper right hand corner of the screen.
3. Click on Create an *Account* to get started.



4. The Registration Screen will display next. If you created an account during last year's Open Enrollment, please login using your User Name and Password.
5. Your email address will be used to send you notification in the event you forget your user name and password. Once all information has been entered, please click "Submit" on the bottom of the screen.

All fields listed on the Registration Screen are required and must be completed in order to complete website registration.





City of Detroit General Retiree Healthcare Trust

SUMMARY ANNUAL REPORT

For the Fiscal Year Ending

December 31, 2025

CITY OF DETROIT GENERAL RETIREE HEALTH CARE TRUST

700 Tower Drive, Suite 300
Troy, MI 48098-2808

www.ourbenefitoffice.com/Mydetroitretireebenefits/Benefits/

BOARD OF TRUSTEES

Trustee	Term Expires
Tom Sheehan, Chair	12/31/2026
Barbara Wise-Johnson, Vice Chair	12/31/2026
Roger Cheek, Secretary	12/31/2026
Floyd Allen	12/31/2026
Charles Gayney	12/31/2026
James “Ed” Hannan	12/31/2026
Dion Stevens	12/31/2026

ACTUARY

Gabriel, Roeder, Smith & Company

AUDITOR

Plante & Moran, PLLC

BENEFITS CONSULTANT

Manquen Vance

CUSTODIAL BANKS

Fifth Third Bank, N.A.
Principal Financial Group, N.A.

GENERAL COUNSEL

VMT Law, P.C.

INVESTMENT CONSULTANT

NEPC, LLC

THIRD PARTY ADMINISTRATOR

BeneSys, Inc.

INVESTMENT MANAGERS

Arena Capital Advisors
BlackRock
CenterSquare Investment Management
Comvest Credit Partners
Dodge & Cox
Garcia Hamilton & Associates
State Street Global Advisors

SUMMARY FACT SHEET

Member Data	December 31, 2023	December 31, 2024	December 31, 2025
Benefit			
BCBS Medicare Plus Group PPO	3,343	3,041	2,860
BCN Advantage HMO-POS	356	330	289
HAP Senior Plus	995	894	823
Humana PPO	120	112	97
Priority Health HMA	13	13	16
Medicare Opt-Out HRA	1,344	1,341	1,342
Non-Medicare HRA	335	225	178
No Benefit Election	1,363	1,475	1,530
Totals	7,869	7,431	7,135

Expenditures	2023	2024	2025
Net Benefits Paid	$5,110,697	$4,907,669	$5,788,636
Administrative Expenses	$676,055	$655,041	$528,536
Investment Expenses	$529,801	$503,349	$337,114
Education/Travel Expenses	$0	$0	$0
Totals	$6,316,553	$6,066,059	$6,654,286

Key Figures	Estimated Market Value of Assets	Projected Cost of Future Benefits	Asset Surplus/(Deficit)	Funded Ratio
Year Ended 12/31/2023	$206,643,416[1]	$146,281,635	$60,752,642	141.5%
Year Ended 12/31/2024	$220,856,518[2]	$151,294,515	$69,923,882	146.2%
Year Ended 12/31/2025	$237,573,905[3]	$158,689,605	$79,216,038	149.9%

[1] Based upon reported market conditions as of 12/31/2023.
[2] Based upon reported market conditions as of 12/31/2024.
[3] Based upon reported market conditions as of 12/31/2025.

CITY OF DETROIT GENERAL RETIREE HEALTH CARE TRUST

FREQUENTLY ASKED QUESTIONS (FAQs)

Q: Why did the Trsutees reduce the number of Medicare Advantage Plans from 5 to 2?

A: As reported last year, the Trustees, working with our health care consultants, did a detailed review of our current Medicare Advantage Plans as well as other National Medicare Advantage plans. The analysis encompassed several factors including benefit design, cost, networks and quality; we also measured participant preferences as reflected in transfers among the current plans.

At the end of this rating process, the Trustees determined that the best approach for the Plan going forward is to reduce the number of Medicare Advantage plans offered to two: one Preferred Provider Organization (PPO) - Blue Cross Blue Shield of Michigan, a current offering; and one Health Maintenance Organization (HMO) - HAP, a current offering. As noted on the Trustees' letter, on page 1, these changes will impact less than 10% of our present, Medicare Advantage participants. Some additional considerations included the following:

- The Trustees increased the number of Medicare Advantage Plans offered to 5 in the 2019 Plan Year in an effort to gauge participants' preferences and hopefully promote more competition among the Plans. Over the last 8 Plan Years, we have seen little participant movement among the Plans and scant evidence that competition was restraining premium costs.
- Offering 5 medical plans for a relatively small plan such as ours is unusual. We are a closed plan with, as anticipated, declining membership. From yearend 2019 to yearend 2025, the number of our Medicare Advantage participants has declined from 6,508 to 4,085. As such, it seemed advisable to reduce the number of medical plans offered.
- As everyone is aware, rising health care costs continue to be one of our biggest challenges. The Trustees decided it made sense to leverage the declining numbers of Medicare Advantage participants we do have to reduce premium costs as much as possible and maintain/improve current benefit designs.

This approach contributed to our ability to offer two Zero-Premium Plans for 2027. In addition, the Trustees noticed that hundreds of current enrollees in the BCBSM PPO were incurring out-of-pocket expenses in the range of $2,000 to $2,500, the latter being the maximum. For 2027, the Trustees were able to lower the BCBSM maximum from $2,500 to $2,000 (in-network) and $5,000 to $4,000 (out-of-network) which should produce significant savings for those who incur the highest costs.

Going forward, the Trustees will continue to monitor the performance and costs of the plans we do offer and evaluate the need for any changes.

Q: How can I verify if my current providers are affiliated with BCBSM PPO and HAP HMO?

A: Both the BCBSM PPO and the HAP HMO have broad and often overlapping networks. To assist members in exploring their options, we have provided the appropriate directory contact information below:

Insurance Carrier	Customer Service Phone #	Website for Provider Lookup
BCBS of MI	(866) 684-8216	www.bcbsm.com/medicare/find-care/find-doctor/
HAP	(800) 422-4641	www.hap.org/find-a-doctor

We have noticed that some members occasionally use out-of-network providers and incur additional costs. While this may reflect a knowing choice, it is sometimes caused by lack of awareness as to a medical provider's status with any plan. Using the above directory information may help to avoid any unnecessary, out-of-pocket costs.

Q: What will the VEBA's benefit levels be in 2028 and beyond?

A: Two factors significantly impact the benefit levels the VEBA will be able to offer in the future: Medicare Advantage costs and our Investment Returns.

Medicare Advantage Costs: Medicare Advantage premiums have increased substantially in recent years. Reimbursement rates for Medicare Advantage Plans are set by the Centers for Medicare and Medicaid Services (CMS); they have been volatile in the recent past and can't be predicted from year-to-year. This uncertainty makes it difficult to plan even a few years ahead. In the past, the Trustees had been able to negotiate two or three-year agreements with various medical plans. In 2026 we sent Requests for Proposal to all five incumbent plans as well as large, national plans. Not one of these plans was willing to quote premium rates longer than one year.

Further cost pressures are attributable to the aging of our Medicare Advantage participants. As of yearend 2025, the average age of our Medicare Advantage participants was 78+, which, while expected, results in greater demand for healthcare services and increased cost pressures.

Investment Returns: To minimize the effects of market volatility, the Trustees, in consultation with our Investment Adviser, have maintained a relatively conservative, broadly-diversified investment portfolio. Our focus is on the long-term solvency of the VEBA.

Like most investors, the VEBA has enjoyed excellent returns for the last few years, which have helped to absorb the impact of rising Medicare Advantage premiums. However, we recognize that markets go up and down and can also deliver significant losses. For example, in 2022 both stocks and bonds declined resulting in large investment losses. Our VEBA was not immune and incurred a loss for the year of over $29.5 million (this was **before** any payments for Medicare Advantage premiums, HRA payments or administrative expenses). Investment losses are difficult to recover and are especially impactful for our VEBA since we will not receive further contributions from the City of Detroit.

While our long-term investment returns are above projections, we still must navigate the ups and downs of the market so we can continue to offer cost-effective medical plans and HRAs and make benefit enhancements when they are sustainable.

Q: How can I verify my current prescription drug regimen will be covered by BCBSM or HAP?

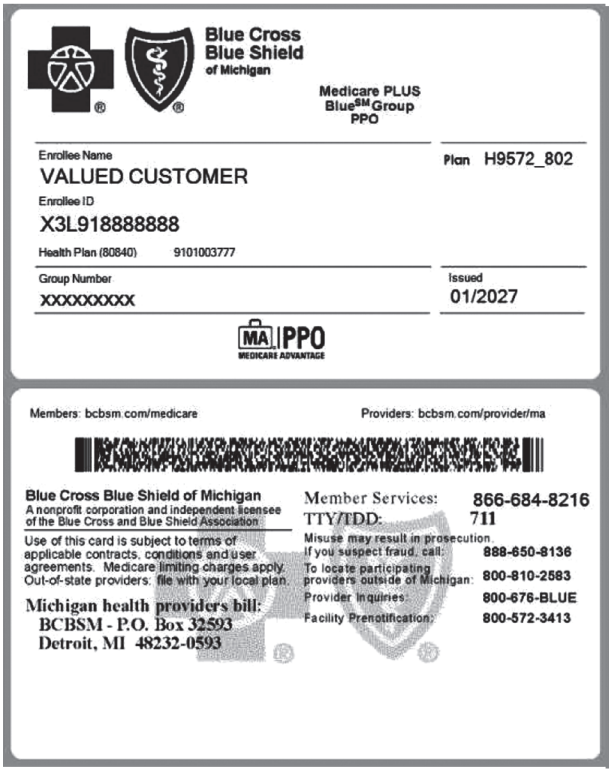
A: Both BCBSM PPO and HAP HMO have a published drug formulary: any additional questions you may have can be answered by their Customer Service Representatives:

Insurance Carrier	Customer Service Phone #	Website for Drug Formulary
BCBS of MI	(866) 684-8216	www.bcbsm.com/medicare/resources/forms-documents/druglists/
HAP	(800) 801-1770	www.hap.org/member-resources/medicare-resources/prescription-coverage

Q: Why will BCBSM members receive a separate BCBSM Rx Card. Have the prescription benefits for BCBSM changed for 2027?

A: The existing prescription benefit design is not changing but the medical and pharmacy coverage will now be administrered separately. Be on the lookout for BCBSM mailing on this subject. Below is a sample of what your new ID Cards will look like:

Medical:



Rx:



Important Phone Numbers

If You Have a Question About	You Should Contact
Eligibility for coverage for you or your dependents, the amount being deducted from your pension check for medical, dental, or vision coverage, the HRA program, Open Enrollment, or Online Enrollment call BeneSys. (**Do NOT call** the City of Detroit Benefits Administration Office)	BeneSys (Third Party Administrator) at: (844) 563-8911 Hours: 7:30 a.m. – 4:30 p.m. Eastern Time, Monday – Friday **Troy Location:** 700 Tower Drive, Suite 300, Troy, MI 48098 You can also leave a message and your call will be returned, during regular business hours, in the order in which it was received. **Detroit Location:** TMR & Associates (313) 963-1135 601 Abbott Street Detroit, MI 48226 Hours: 8:30 a.m. – 5:00 p.m. Eastern Time, Monday – Friday
Blue Cross Blue Shield of MI	(866) 684-8216 TTY (800) 579-0235
Locating a Provider that Participates in the Blue Cross Blue Shield PPO Network	(800) 810-2583
HAP	(800) 801-1770
Blue Cross Blue Shield of MI Dental PPO	(888) 826-8152
Delta Dental PPO	(800) 524-0149
DENCAP Dental DMO	(888) 988-3384
Heritage Vision	(800) 252-2053
Vision Service Plan (VSP)	(800) 877-7195
IRS – Tax Return Transcript Assistance	(800) 908-9946

2027

City of Detroit
General Retiree
Healthcare Trust Open
Enrollment Information

