

THE LOCAL PULSE

2025-A YEAR IN REVIEW

DAVID HILYER, CEO

Over the past year, the health insurance industry has faced uncertainty as rising costs have led many organizations to experience double-digit rate increases. Local Gov Health and Wellness serves nearly 700 counties and municipalities across Alabama, along with the quasi-governmental organizations that support them. We understand the strain this uncertainty places on local government entity (LGE) budgets. That is why Local Gov, and its Board of Directors, takes great pride in providing predictability, stability, and consistency to hundreds of LGEs throughout Alabama during these uncertain times.

Local Gov was created in response to widespread double-digit rate increases affecting LGEs across the state. Unfortunately, those same pressures are once again impacting organizations throughout Alabama and the nation. Over our 33 years of operation, Local Gov's average annual rate increase has been just 4.26%. Our rate increase over the past two years has been 4.75%, remaining well below the national average, and we have not experienced a double-digit rate increase in the last 15 years. As a result, many LGEs have recently chosen to join our program. We are grateful for these opportunities, as Local Gov exists to serve all local government entities in Alabama.

Predictability, consistency, and reliability matter, along with quality coverage and responsive customer service. It is our mission to deliver on these priorities for Alabama's LGEs. As we begin 2026, Local Gov once again thanks you for the privilege of serving your unit and your employees!

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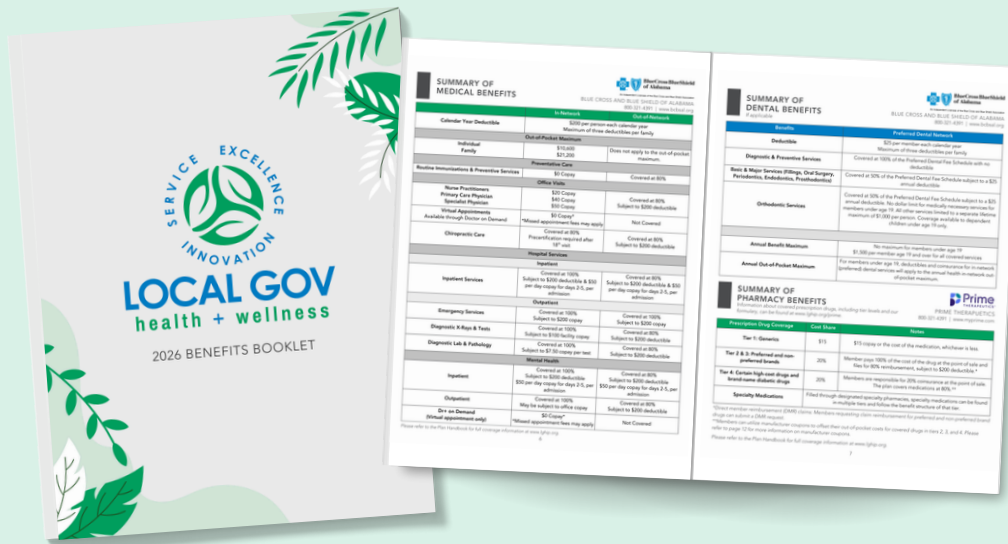
HAPPY
New
Year

NEW BENEFITS BOOKLET NOW AVAILABLE

The 2026 member benefits booklet will soon be arriving to a mailbox near you! All group 30000 subscribers and unit admins will receive the updated booklet in the mail in January, and all new subscribers will receive a booklet in the mail when they subscribe to the Local Government Health Insurance Plan.

The benefits booklet includes a brief overview of medical, dental, vision, cancer, and pharmacy benefits, in addition to information about the free programs offered through our program.

The benefits booklet is also available online at lghip.org/resourcelibrary.



SCAN HERE TO
VIEW THE BENEFITS
BOOKLET

YOU'VE GOT A FRIEND IN ME AWARD

The Local Gov team recently awarded Beth Kelly the You've Got a Friend in Me award! This award is presented annually to the Local Gov employee who has best demonstrated throughout the year the qualities of being a true friend to fellow employees, our units, members, and community.

Beth joined Local Gov in July 2022 as a Customer Service Representative on our Enrollments team and is now on our audit team. She is from Montgomery and is currently attending the University of North Alabama to earn her bachelor's degree.

We are lucky to have Beth on our team and her kindness continues to make a postivie impact on everyone around her!



You've Got a
FRIEND
in Me Award

“Beth is truly a bright ray of sunshine in our office. She has a warm and reassuring way of talking with unit admins, helping put them at ease even when audits can feel a little intimidating. Her kindness extends far beyond her work, as she is also a thoughtful, dependable, and genuinely supportive friend. Her positivity makes a lasting impact, and we're very grateful to have someone like her on our team.”

BIOLOGICS: WHAT YOU NEED TO KNOW ABOUT BIOSIMILAR OPTIONS

In 2026, Local Gov Health and Wellness, with assistance from Blue Cross and Blue Shield of Alabama (BCBSAL) and Prime Therapeutics, will continue transitioning from certain biologic medications to preferred biosimilar agents.

What is a biologic?

Biologic medications are made from living sources and because living things are complex, these medications are complicated to manufacture and therefore can be expensive. They treat severe conditions such as multiple sclerosis, chronic skin and bowel diseases, arthritis, diabetes, and some cancers.

What is a biosimilar?

A biosimilar is similar to the reference biologic medication that the FDA has already approved. For a biosimilar to be approved by the FDA, studies must show that it is safe, effective, and have no meaningful differences from the original biologic. An easy way to think of it is biosimilars are to biologics as generic drugs are to brand drugs.

Why is Local Gov and BCBSAL/Prime Therapeutics transitioning to biosimilars?

Like generic drugs for brand-name medications, biosimilars often cost less than the reference biologic. These savings can expand treatment options, which is why many health plans may prefer biosimilars over higher-cost biologics. Many biosimilars are interchangeable, allowing pharmacies to substitute them without a new prescription. They can be given at the same dose and strength, so changes to the treatment plan may not be needed.



What medications will be affected?

Beginning January 1, 2026	
Reference Biologic	Covered Biosimilar
Soliris (eculizumab) Bkernv (eculizumab-aeeb)	Epysqli (eculizumab-aagh)
Beginning April 1, 2026	
Reference Biologic	Covered Biosimilar
Stelara (ustekinumab)*	Selarsdi (ustekinumab-aekn) Steqeyma (ustekinumab-stba) Yesintek (ustekinumab-kfce)
Humira (adalimumab)**	Hadlima (adalimumab-bwwd) Simlandi (adalimumab-ryvk) Adalimumab-aaty Adalimumab-adaz

*Current utilizers of Stelara (ustekinumab) will need to transition to a covered biosimilar. Stelara will no longer be covered after April 1, 2026.

**Current utilizers of Humira (adalimumab) may continue therapy through 2026. These members must transition to the covered biosimilar agents listed above before January 1, 2027.

For questions regarding the transition to biosimilars, call Blue Cross and Blue Shield of Alabama customer service at 1-800-321-4391.

The information provided is for informational purposes only and may be subject to change. Talk to your healthcare provider for more information on biologics and biosimilars.

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More detailed information on biosimilars can be found on the FDA's website.



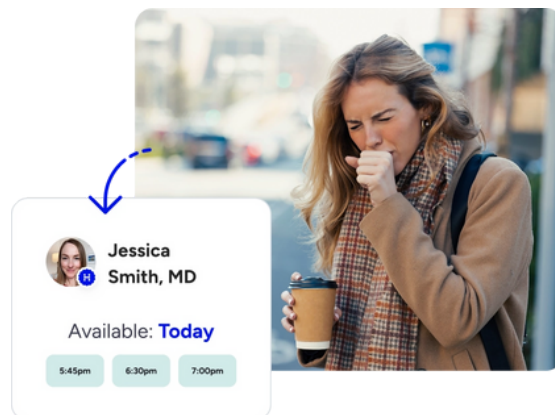
DON'T LET SICKNESS KEEP YOU DOWN

Cold and flu season can turn any household upside down. Sleepless nights and last-minute doctor visits are a stressful part of winter for many families. Luckily, Local Gov offers Doctor on Demand free of charge for all subscribers and their covered dependents enrolled in Blue Cross and Blue Shield of Alabama Group 30000. No waiting rooms, no copays, just getting the help you need so you can feel better!

Treating Common Urgent Care Conditions

Doctor on Demand is available 24/7/365 to treat urgent, non-emergent conditions that are especially common during cold and flu season, including:

- Cough or congestion
- Body aches, headaches, or fatigue
- Fever or chills
- Nausea or vomiting
- Strep throat
- Stuffy or runny nose
- Sinus infections
- Bronchitis



Common Questions About Doctor on Demand

1. **Can Doctor on Demand prescribe medication?** - Yes! Virtual urgent care providers with Doctor on Demand can prescribe medication if medically appropriate. If your provider prescribes medication, it can be sent directly to your preferred pharmacy.
2. **How much does Doctor on Demand cost?** - Doctor on Demand is free with no copay! However, if you miss an appointment, you may be subject to missed appointment fees. The fee amount depends on the type of appointment you missed.
3. **Will I have to appear on camera?** - Yes, Doctor on Demand requires a video call for your visit to visually assess the patient.



LEARN HOW TO
SIGN UP ON THE
DOCTOR ON
DEMAND APP



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BOOK A VISIT WITH
DOCTOR ON
DEMAND



COMMON AUDIT ISSUES & HOW TO AVOID THEM

Our audit team has been busy over the last year. Local Gov periodically audits all units to ensure all subscribers enrolled in the LGHIP are eligible and that all eligible employees of the unit have either enrolled or declined in the Plan.

To make your audit quick and easy, below are a few of the most common issues our audit team encounters, and how you can avoid them when it's time for your audit.

Issue	How to Avoid
No enrollment or declination form on file	Ensure all eligible employees either enroll or decline health insurance coverage within 30 days of their date of hire
Employees who are no longer employed, but still enrolled in the plan	Reconcile your bill every month to ensure all employees on the bill are still active employees
Employees enrolled in a spouse's policy who is also employed by a unit that offers our Plan	If employees are eligible for their own LG policy, they are not eligible to enroll as a dependent on another LG policy
Employees on LWOP or receiving worker's comp	Employees can only stay on the plan for up to 12 months. After 12 months, they must be removed from the Plan. Upon cancellation, employees will be sent information on COBRA
Retirees still enrolled as a full-time employee	If your unit allows retiree coverage, a notification must be sent to Local Gov 30 days prior to the retirement date so the correct premiums are charged to the unit

Last but not least, make sure your unit contact information is up-to-date, including names, email addresses, and phone numbers. If you have additional questions regarding audits, contact our team at auditor@lghip.org.



MAKING EXERCISE A HABIT IN THE NEW YEAR

It's a basic law of nature, and you can probably still hear the drone of your science teacher's voice: *A body in motion stays in motion and a body at rest stays at rest, unless some other force acts upon it.*

We all need a force to move us from rest to healthy movement. It's called motivation. But even when you know that moving more would be good for you, it can be hard to build the motivation when exercise isn't a habit.

Let's look at what behavioral science has to tell us about motivation and how you can harness it to build a healthy exercise habit.

Mind the gap: Building a new exercise habit can be challenging. Behavior scientists call it the intention-behavior gap. We may have great intentions and say that we want to make a change, but we struggle to put it into action. When our behaviors are out of alignment with our intentions, there's a gap between what we truly desire for ourselves and the life that our actions are creating for us.

Avoidance and approach: Avoidance is a common, natural response when starting a new habit and can show up as procrastination, self-doubt, or finding reasons not to begin. An approach mindset involves jumping in with high enthusiasm but often unrealistic expectations that can lead to burnout or all-or-nothing thinking.

Practice self-compassion: Building an exercise habit starts with self-compassion; recognizing that change is hard, progress takes time, and motivation rooted in kindness is more powerful than fear. This also means valuing the mental and planning work you do before taking action, since preparing your environment and schedule is meaningful progress toward your goal.

Make a habit action plan:

- **Write it down:** Be specific about what, when, and where you'll exercise.
- **Build it into your day:** Attach movement to existing routines or use short "movement snacks."
- **Schedule it:** Block time on your calendar based on when you're most energized.
- **Use reminders:** Alarms, visual cues, or app notifications keep you on track.
- **Start small:** Set realistic goals to build confidence and consistency.
- **Make it fun:** Choose activities you enjoy; exercise doesn't have to look one way.
- **Bundle temptation:** Pair exercise with something you love (music, podcasts, shows).
- **Set up your environment:** Prep clothes, equipment, or a visible workout space.
- **Make it social:** Workout with a friend or group for accountability.
- **Track progress & reward yourself:** Celebrate consistency, not perfection.
- **Stay flexible & kind to yourself:** Have a backup plan and practice self-compassion when life intervenes.

