



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

2026 Employee Benefits Renewal Meeting

October 28, 2025

Financial Update

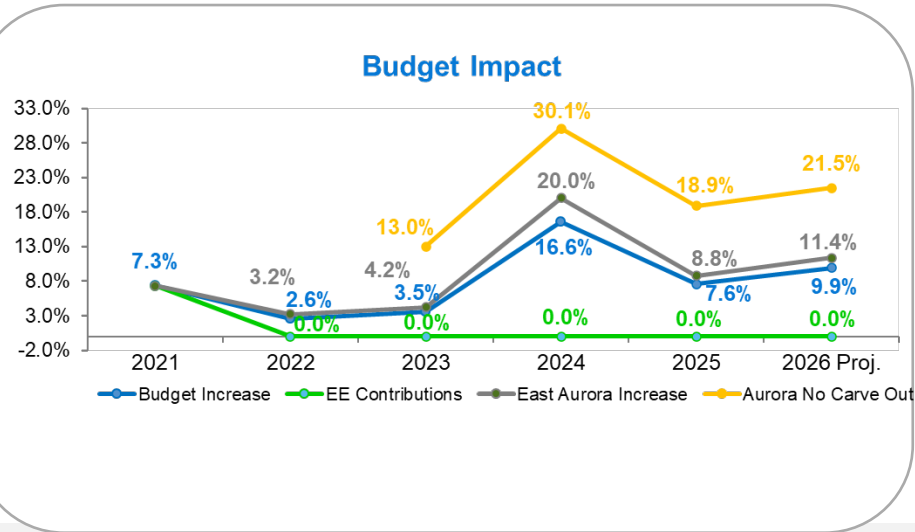
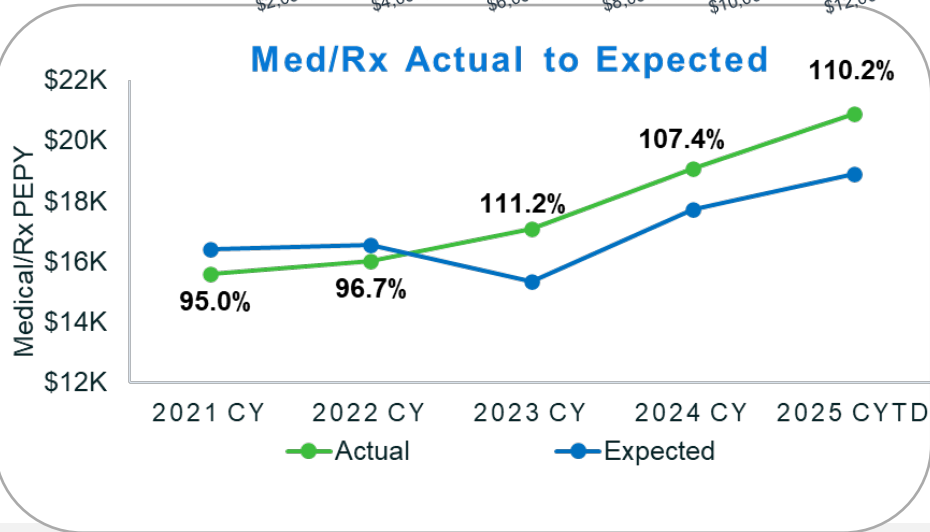
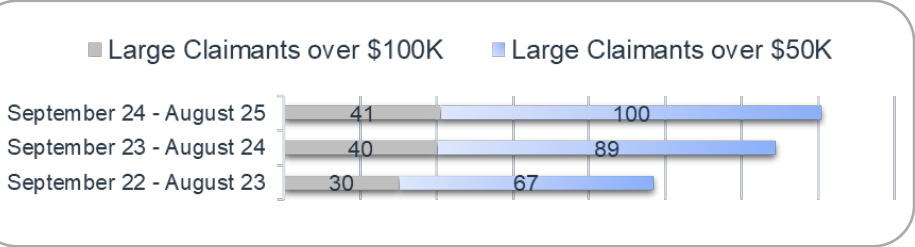
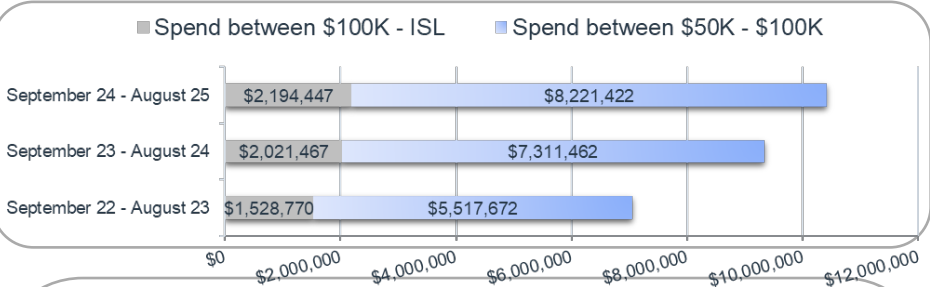
Medical/Rx Overview

2026 Projected
Gross Budget
\$29,541,000 | 9.9%

2026 Projected
Net Med/Rx Costs
\$26,021,000 | 11.4%

Cost Drivers

- The most recent 12 months, claimants over \$50K increased from 89 to 100, with claims spend increasing from \$9.3M to \$10.4M
- There was a 27.7% Increase in Rx Claims on a Per Employee Per Year basis over the most recent 12 months



*Large Claimants over \$100K are in addition to Large Claimants over \$50K

2025 YTD Financial Update

Report Dashboard with data through August

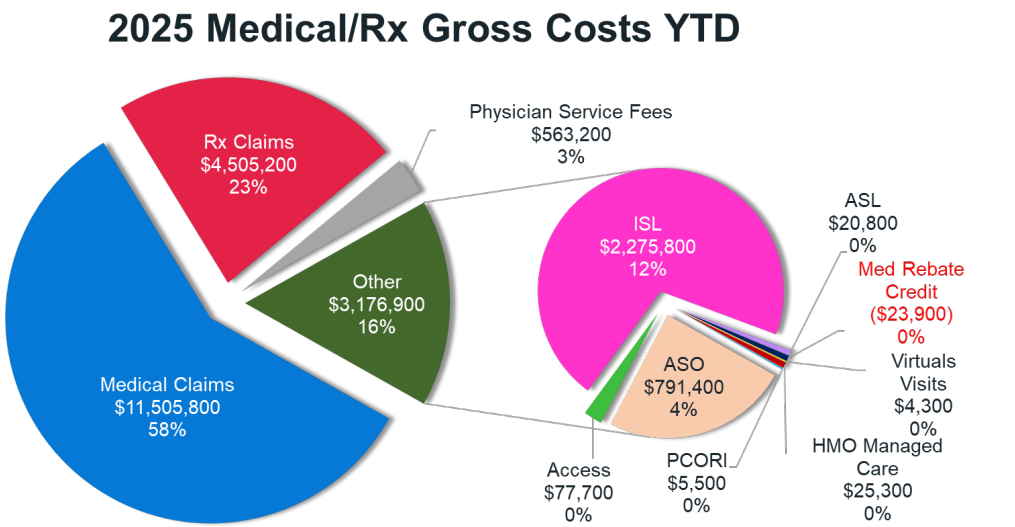
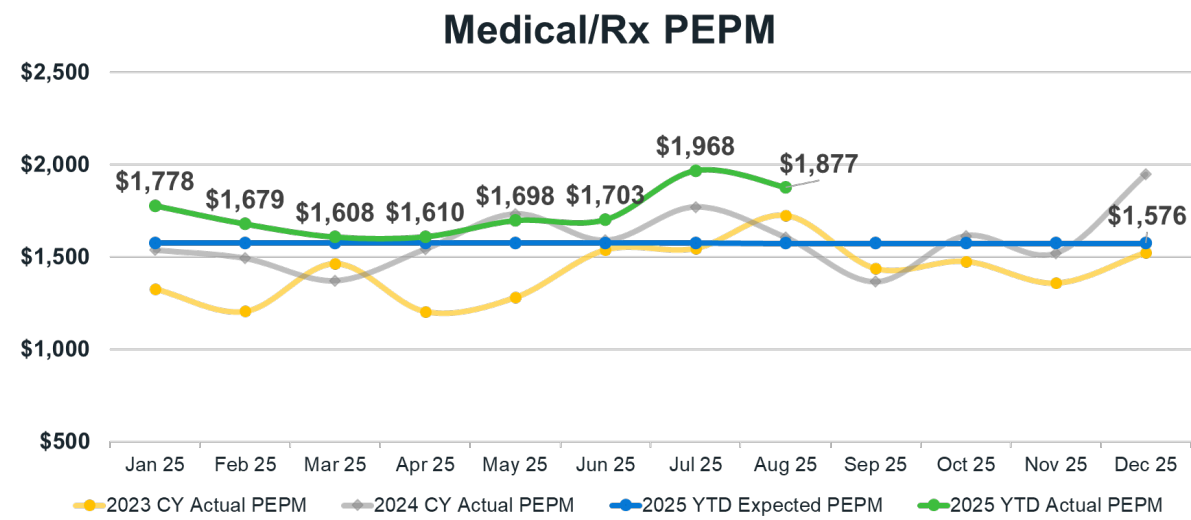
Medical/Rx Key Statistics	2023 CY	2024 CY	% Change	2025 YTD	% Change
Average Number of Employees	1,340	1,399	4.4%	1,422	1.6%
Average Number of Members	2,823	2,909	3.1%	2,931	0.8%
Total Medical/Rx Costs	\$22,867,000	\$26,651,000		\$19,751,000	
Expected Medical/Rx Costs	\$20,565,000	\$24,810,000		\$17,921,000	
Gross Actual / Expected	111.2%	107.4%		110.2%	

Medical/Rx PEPY	2023 CY	2024 CY	% Change	2025 YTD	% Change
Actual Costs	\$17,079	\$19,085	11.7%	\$20,884	9.4%
Expected Costs	\$15,346	\$17,741	15.6%	\$18,911	6.6%

Dental PEPY	2023 CY	2024 CY	% Change	2025 YTD	% Change
Actual Costs	\$740	\$754	1.8%	\$876	16.2%
Gross Actual / Expected	104.3%	93.9%		106.0%	

Large Claimants > \$50K	2023 YTD	2024 YTD	2025 YTD	Benchmark (Annual) ¹
# of Claimants > \$50K	44	65	65	105
Average Cost Per Claimant > \$50K	\$155,000	\$101,000	\$106,000	\$127,000
Claimants > \$50K (per 1,000 Employees)	32.9	46.3	45.7	74.0
Claimants > \$50K (% of Total Claims)	44.6%	41.9%	38.3%	N/A

Medical/Rx Costs (Plan Year To Date)	2023 YTD	2024 YTD	2025 YTD	% Change
Total Medical/Rx Costs	\$15,041,000	\$17,636,000	\$19,751,000	12.0%
Gross Actual / Expected	109.9%	106.3%	110.2%	
Total Medical/Rx Costs - PEPY	\$16,926	\$18,969	\$20,884	10.1%



2026 Projection

PPO Fixed Costs

FIXED FEES PEPM	2025	2026	Negotiated 2026	% CHANGE	COMMENTS
Medical ASO	\$71.86	\$73.30	\$73.30	2.0%	BCBSIL Renewal
Network Access	\$8.13	\$8.41	\$8.41	3.4%	BCBSIL Renewal
Medical Drug Rebate Credit	(\$2.50)	(\$2.50)	(\$2.50)	0.0%	BCBSIL Renewal
Telehealth	\$0.45	\$0.45	\$0.45	0.0%	BCBSIL Renewal
Estimated Rx Rebate	(\$156.87)	(\$173.45)	(\$173.45)	10.6%	BCBSIL Renewal
Individual Stop Loss	\$200.91	\$209.66	\$195.25	-2.8%	BCBSIL Negotiated Renewal (Marketing)
Aggregate Stop Loss	\$2.18	\$2.39	\$2.39	9.5%	
Total Med/Rx	\$124.16	\$118.26	\$103.85	-16.4%	
Enrollment	1,194				
Annual \$ Total	\$1,779,000	\$1,694,000	\$1,488,000		(\$291,000)
Total Savings			(\$206,000)	-12.2%	
Dental ASO	\$4.04	\$4.04	\$4.04	0.0%	
Enrollment	1,617				
Annual \$ Total	\$78,000	\$78,000	\$78,000		\$0

- Aurora East’s fixed costs are **decreasing by 15.0% or \$266K** over the 2025 budget which is mostly driven by the Individual Stop Loss decrease of 2.0% and the 10.6% increase in Rx Rebates
- HUB negotiated individual stop loss renewal from an initial +4.4% increase; annual savings of \$206K

Stop Loss History	2022	2023	2024	Cumulative	2025 YTD
Carrier	BCBSIL	BCBSIL	BCBSIL		BCBSIL
ISL Level	\$185,000	\$185,000	\$225,000		\$225,000
ISL Historical Increase	25.6%	11.1%	13.9%		9.0%
ISL Premium	\$1,896,946	\$2,120,065	\$2,574,029	\$6,591,040	\$1,920,499
Claims	(\$1,478,725)	(\$2,547,231)	(\$943,511)	(\$4,969,467)	(\$268,104)
Loss Ratio	78.0%	120.1%	36.7%	75.4%	14.0%
# Claims Exceeding ISL Level	8	11	9	28	4
# Claims Exceeding Half Spec	19	21	29	69	19
Aggregate Stop Loss Premium	\$16,280	\$16,772	\$29,745	\$62,797	\$20,839

- Aurora East’s cumulative stop loss **loss ratio** from 2022 – 2024 is an **75.4%**
- Target loss ratio is between **70% - 80%**
- Market (leveraged) **trend is roughly 20% - 25%**

2026 Projection

HMO Fixed Costs

FIXED FEES PEPM	2025	2026	% CHANGE	COMMENTS
Medical ASO	\$57.66	\$58.81	2.0%	BCBSIL Renewal
HMO Managed Care Fee	\$13.95	\$15.87	13.8%	BCBSIL Renewal
Physician Service Fee	\$306.32	\$376.27	22.8%	BCBSIL Renewal
Estimated Rx Rebate	(\$95.21)	(\$106.81)	12.2%	BCBSIL Renewal
Individual Stop Loss	\$195.95	\$206.00	5.1%	BCBSIL Renewal
Total Med/Rx	\$478.67	\$550.14	14.9%	
Enrollment	227			
Annual \$ Total	\$1,304,000	\$1,499,000		\$195,000

- Aurora East’s fixed costs are **increasing by 14.9% or \$195K** over the 2025 budget which is mostly driven by the Individual Stop Loss increase of 5.1% and Physician Service Fee increase of 22.8%

Stop Loss History	2022	2023	2024	Cumulative	2025 YTD
Carrier	BCBSIL	BCBSIL	BCBSIL		BCBSIL
ISL Level	\$105,000	\$105,000	\$105,000		\$105,000
ISL Historical Increase	12.6%	4.0%	8.6%		5.0%
ISL Premium	\$501,052	\$511,680	\$525,709	\$1,538,441	\$355,257
Claims	(\$1,613)	(\$1,475,012)	(\$147,173)	(\$1,623,798)	(\$2,387)
Loss Ratio	0.3%	288.3%	28.0%	105.5%	0.7%
# Claims Exceeding ISL Level	1	2	4	7	1
# Claims Exceeding Half Spec	5	6	9	20	9

- Aurora East’s cumulative stop loss **loss ratio** from 2022 – 2024 is an **105.5%**
- Target loss ratio is between **70% - 80%**
- Market (leveraged) **trend is roughly 20% - 25%**

2026 Medical & Dental Projection

Assumptions – No Plan Changes

BUDGET ASSUMPTIONS	MEDICAL (PPO)	RX (PPO)	MEDICAL (HMO)	RX (HMO)	DENTAL
Trend Assumptions	8.3%	9.5%	7.5%	9.5%	4.5%
Experience Period Weighting					
9/1/2023 - 8/31/2024	30%	30%	40%	40%	30%
9/1/2024 - 8/31/2025	70%	70%	60%	60%	70%

- East Aurora's Medical/Rx net costs are **increasing** by **11.4%** or **\$2.66M** over the 2025 budget
- East Aurora's Dental net costs are **increasing** by **5.2%** or **\$45K** over the 2025 budget

East Aurora School District #131 Summary	Current Enrollment	2025 Budget	2026 Projection	Change Over 2025 Budget	
				\$	%
Total Costs					
Medical/Rx	1,421	\$26,882,000	\$29,541,000	\$2,659,000	9.9%
Dental	1,617	\$1,321,000	\$1,366,000	\$45,000	3.4%
BCBSIL Wellness Credit			(\$75,000)	(\$75,000)	0.0%
PCORI Fee Estimate	1,421	\$10,000	\$11,000	\$1,000	10.0%
Total		\$28,213,000	\$30,843,000	\$2,630,000	9.3%
Employee Contributions					
Medical/Rx	1,421	\$3,520,000	\$3,520,000	\$0	0.0%
Dental	1,617	\$456,000	\$456,000	\$0	0.0%
Total		\$3,976,000	\$3,976,000	\$0	0.0%
East Aurora School District #131 Costs					
Medical/Rx	1,421	\$23,362,000	\$26,021,000	\$2,659,000	11.4%
Dental	1,617	\$865,000	\$910,000	\$45,000	5.2%
BCBSIL Wellness Credit			(\$75,000)	(\$75,000)	0.0%
PCORI Fee Estimate	1,421	\$10,000	\$11,000	\$1,000	10.0%
Total		\$24,237,000	\$26,867,000	\$2,630,000	10.9%

Notes:

Based on August 2025 enrollment times HUB calculated premium equivalent rates

Blue Choice Options & How it Works?

- **Tier 1** – To receive the highest level of benefits, members should use the providers and hospitals within the Blue Choice (BCO) network
- **Tier 2** – You can still receive care from a provider within the larger PPO network but will pay higher out-of-pocket costs
- **Tier 3** – You will pay the highest out-of-pocket cost by choosing an out-of-network provider and may have to pay those fees up front
- **Outside of IL:** BCBS will recognize a PPO visit at the BlueChoice network benefit tier level because a BlueChoice network provider is not available in your area.
- **Offers Choice:** if your Specialist is in Tier 2 you can go there and see your Primary if in Tier 1

Tier 1: Blue Choice OPT Network (Localized to Illinois)

Best value, the least out-of-pocket costs with in-network provider

Tier 2: Larger Statewide PPO Network

Larger network, more out-of-pocket costs with these providers

Tier 3: Out-of-Network

Out-of-network, highest out-of-pocket costs, you may have to pay those fees up front

Sample Blue Choice Options Plans

Network	PPO			Value PPO		
	Tier 1: Blue Choice Options	Tier 2: PPO	Tier 3: Out-of-Network	Tier 1: Blue Choice Options	Tier 2: PPO	Tier 3: Out-of-Network
Annual Deductible						
▶ Employee only	\$500	\$750	\$1,500	\$750	\$1,500	\$3,000
▶ Family	\$1,000	\$1,500	\$3,000	\$2,250	\$4,500	\$9,000
Annual Out-of-Pocket Maximum						
▶ Employee only	\$2,000	\$3,000	\$6,000	\$2,000	\$3,500	\$7,000
▶ Family	\$4,500	\$7,000	\$14,000	\$5,000	\$10,200	\$20,400
Office Visit						
▶ Primary Care Physician	Plan pays 85%*	Plan pays 80%*	Plan pays 60%*	\$20 copay	\$30 copay	Plan pays 60%*
▶ Specialist	Plan pays 85%*	Plan pays 80%*	Plan pays 60%*	\$40 copay	\$50 copay	Plan pays 60%*
Preventive Care	Plan pays 100%			Plan pays 100%		
Emergency Room Visit (copay waived if admitted)	\$150 copay, then plan pays 80% after deductible			\$150 copay		
Inpatient Hospital Stay	Plan pays 85%*	Plan pays 80%*	\$100 copay, then plan pays 60%*	Plan pays 85%*	Plan pays 80%*	\$300 copay, then plan pays 60%*
Prescription Drugs (Tier 1/Tier 2/Tier 3) CVS is Excluded for PPO Rx Plans						
Rx drug expense limit	\$500 individual / \$1,500 family			\$1,000 individual / \$3,000 family		
▶ Retail (up to a 30-day supply)	\$20/\$40/\$60/\$80 copay		Plan pays 75% of cost after preferred copay	\$8/\$35/\$75/\$75 copay		Plan pays 75% of cost after preferred copay
▶ Mail Order (up to a 90-day supply)	\$40/\$80/\$120 copay		N/A	\$16/\$70/\$150 copay		N/A

*After deductible has been met

Blue Choice Options Disruption

The match process results are shown below:

	Blue Choice Options - Tier 1	IL-PPO - Tier 2
Total Records	7,436	7,436
Total Matches	7,098	7,321
Percent Matched	95.45%	98.45%

2026 Medical & Dental Projection

Assumptions – BCO PPO Replacements

BUDGET ASSUMPTIONS	MEDICAL (PPO)	RX (PPO)	MEDICAL (HMO)	RX (HMO)	DENTAL
Trend Assumptions	8.3%	9.5%	7.5%	9.5%	4.5%
Experience Period Weighting					
9/1/2023 - 8/31/2024	30%	30%	40%	40%	30%
9/1/2024 - 8/31/2025	70%	70%	60%	60%	70%

- East Aurora's Medical/Rx net costs are **increasing** by **4.8%** or **\$1.12M** over the 2025 budget (**\$1.5M** in estimated BCO claims savings)
- East Aurora's Dental net costs are **increasing** by **5.2%** or **\$45K** over the 2025 budget

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Dental	1,617	\$456,000	\$456,000	\$0	0.0%
PCORI	1,421	\$0	\$0	\$0	0.0%
Total		\$3,976,000	\$3,976,000	\$0	0.0%
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Dental	1,617	\$865,000	\$910,000	\$45,000	5.2%
Wellness Credit			(\$75,000)	(\$75,000)	0.0%
PCORI Fee Estimate	1,421	\$10,000	\$11,000	\$1,000	10.0%
Total		\$24,237,000	\$25,328,000	\$1,091,000	4.5%

Notes:

Based on August 2025 enrollment times HUB calculated premium equivalent rates

Thank you

We are grateful to be working with you!

