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To: The Board of Education and Dr. Patrick Broncato, Superintendent
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO
The Woodridge School District Insurance Committee
Date: April 18, 2025
Subject: Recommendation to Approve the 2025-2026 EBC Employee Benefits Renewal

I attended the EBC Final Renewal Meeting on March 18th in Schaumburg and we also had Erica Mendoza and Lesley Pasillas from Gallagher Benefits come to our April 8th Insurance Committee Meeting to discuss the essentials of the final renewal proposal from the EBC for next year. Based on that information, we are hereby providing an Insurance Committee Employee Benefits Recommendation for the Board's consideration. This recommendation has the unanimous support of everyone in attendance at the April 8th meeting. With Board approval on April 21st, we would then begin our Annual Open Enrollment period on April 22nd (to run through May 30th), for the new plan year that begins on July 1st. The EBC is an employee benefits insurance purchasing cooperative administered by Gallagher Benefits that we belong to, made up of about 135 school districts and educational cooperatives, representing over 35,000 covered employees.

Listed below is a brief summary of the plans and services addressed during the final renewal meeting and the premium increases that will occur on July 1st.

Health Insurance

No major changes to the benefit structure or the overall network structure, but the EBC did complete a Pharmacy Benefits Management review, recommending that we stay with our current provider, Prime Therapeutics, at a savings for the cooperative of about \$43M over a three year period. This will help keep renewal increases down and maintain our current Rx network and Rx benefit structure. They also recommended that we change Stop Loss Carriers (from Symetra to HCSC) and save about \$500K over a three year period for the pool. Finally, BCBS and Gallagher announced that Advocate Healthcare Medical Group would be leaving the HMO Illinois Plan on July 1st, but would be staying in the HMO Blue Advantage Plan, so this medical group is still available to our HMO participants at an even lower cost going forward (the affected employees



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would just need to switch from HMO Illinois to HMO Blue Advantage during Open Enrollment). This information will be highlighted during Open Enrollment.

We did see a small mandated increase in the HDHP/HSA Plan deductible for both single coverage (up by \$100 to \$3,300) and all family coverages (up by \$200 to \$6,600), as well as the related Annual Out-Of-Pocket Maximums (up by \$200 to \$6,600 for single and \$400 to \$13,200 for family) for In-Network Coverage (the out-of-network amounts are set at twice the in-network amounts, respectively). This increase in deductibles and out-of-pocket maximums lowered the premium increase for the HDHP/HSA Plan by .66% (below the other two PPO Plans we have) and this is reflected in the attached Renewal Rates Spreadsheet provided to us by Gallagher. Again, this will be highlighted during Open Enrollment, along with the related Board contributions into the employee's HSA, if they select the HDHP/HSA Plan.

The average increase for the two traditional BC/BS PPO plans was 6.9% (the PPO trend is 8%, so the pool's PPO experience was a little better than the industry trend) and our claims experience put us in the band one above the average, at a 7.9% increase. We have been one or two bands above average for several years now and are hoping that increased participation in our Biometric Health Screening, along with a more robust Wellness Program, will help improve our claims experience and banding. The HMO increase for the pool was 5.2% (the HMO trend is 7%, so the pool's HMO experience was better than the industry trend) and our claims experience put us at the pool average band of 5.2%. We had a good/average claims year in the HMO, but as it has less participation than our PPO, it will have a smaller impact on our overall health insurance spend. In general, these are both very good renewals based on the industry trends, as well as for other Illinois school districts, and they are slightly below our initial estimated increase range of 8%-12%. See the attached Renewal Rate Spreadsheet from Gallagher for the exact 2025-2026 monthly premium rates.

Dental Insurance

No change to benefits or the network (provided by MetLife Dental) and the final increase for the EBC was 4%, whereas the industry trend was 4%. We have been with MetLife Dental for five years now and they are committed to our account and have been aggressive in pricing renewals under 5% (other than last year when we realized a 7.3% increase). With an established network and a "mature" account, we can hopefully continue to realize increases under 5% going forward.

Life Insurance

No change in rates or coverage (provided through Reliance Standard Life) and the rates have been locked in and extended for two more years (through 6/30/27). We have maintained flat and very competitive life insurance rates for the past several years through the EBC. They also provide



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supplemental life insurance, if desired, at rates based on their age/mortality table, and all employees can request up to 2.5 times their annual salary in additional/supplemental term life insurance.

Other Services

The only new service being implemented next year is a muscular-skeletal (MSK) diagnosis, health and wellness program currently offered through Hinge Health. MSK claims and expenses are the fastest growing area of claims as our member population ages (besides rapidly increasing Rx costs), and Hinge Health is offering to provide a base level of proactive education, diagnosis, wellness and prevention services free of charge to our members, and then discounted services for therapy, pain management, treatment, surgery and rehab, should a covered member need these additional services. There is a specific Pelvic Health Program offered for women, and the overall program cost to the EBC is estimated at \$385K per year (to be paid for out of general EBC funds), with anticipated claims savings to our program of about \$2.5M to \$2.75M annually. This program was approved as part of the final renewal and will be highlighted during Open Enrollment.

Finally, we continue to offer a variety of miscellaneous supplemental insurance products and programs (some pre-tax and some after-tax) through a multitude of providers, including United Healthcare, Voya, Teledoc, Caremark, AllOne, SunLife, MetLife, BlueCross/Blue Shield, and a few others. Please see the recommendation below and the attached information and let me know if you have any questions or need additional information. Thank you.

Recommendation

It is the recommendation of the Insurance Committee that the Board approve the following items related to our FY 2025-2026 plan year renewal for the school district's comprehensive employee benefits insurance programs, as provided through the Employee Benefit Cooperative (EBC) and administered by Arthur J. Gallagher and Associates (AJG), as presented:

- 1. For the employee health insurance plan renewals provided by BCBS, overall increases in monthly premium rates of 7.9% for the traditional PPO health insurance plans, 7.24% for the HDHP/HSA health insurance plan and 5.2% for the HMO health insurance plans, as outlined in the attached information and Renewal Rates Spreadsheet.*
- 2. For the dental insurance plan renewal provided by MetLife, an overall increase of 4% for the PPO dental insurance plan, as outlined in the attached Renewal Rates Spreadsheet.*



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3. *For the life insurance plan renewal provided by Reliance Standard Life and the vision insurance plan offered by United Healthcare, no increase to the vision plan rates or life insurance plan rates, as both are locked in through 6/30/27.*
4. *To continue using Prime Therapeutics as our Pharmacy Benefits Manager, through a new three-year contract, saving the EBC approximately \$43M over a three year period.*
5. *To move our Stop Loss Insurance Coverage to HCSC, under a new three-year contract, saving the EBC approximately \$500K over a three year period.*
6. *To adopt the Hinge Health Muscular-Skeletal Health Management Program at a cost of approximately \$385K per year, saving the EBC approximately \$2.5M annually, to be paid out of EBC general/administrative funds.*
7. *To maintain all other existing supplemental employee benefit plans and programs (both pre-tax and after-tax programs) at previously established levels and costs, as presented.*
8. *To maintain the School District Seed for those selecting the High Deductible Health Plan (HDHP) at \$2,100 per year for those selecting the single coverage option and \$3,700 per year for those selecting a family coverage option, to be paid out half in January and half in July/August of each calendar year. Annual net savings for the school district for those selecting the HDHP (versus the cost for our standard PPO plan) under this scenario would be about \$1,700 for those selecting Single coverage, \$1,500 for those selecting Employee-Children coverage, \$1,800 for those selecting Employee-Spouse coverage and \$2,900 for those selecting Full Family coverage.*

With Board approval of this comprehensive recommendation on April 21st, we would begin the Annual Open Enrollment Period on April 22nd and begin publicizing all of the changes and new programs and premium rates immediately. The Open Enrollment Period would run from April 22nd through May 30th, for changes to become effective on July 1st.