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To: The Board of Education and Dr. Patrick Broncato, Superintendent  
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO  
Date: February 20, 2026  
Subject: 2026-2027 EBC Renewal and Employee Benefits Update

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I attended the EBC Preliminary Renewal Meeting on January 28<sup>th</sup> in Schaumburg and we also had Erica Mendoza from Gallagher Benefits come to our February 3<sup>rd</sup> Insurance Committee Meeting to discuss the highlights of the preliminary renewal proposal. Furthermore, I will be attending the March 19<sup>th</sup> Final Renewal Meeting in Schaumburg and the subsequent March 24<sup>th</sup> Insurance Committee Meeting, where we will hopefully develop an Insurance Committee Employee Benefits Recommendation for the April 20<sup>th</sup> Board Meeting. With Board approval on April 20<sup>th</sup> we would then begin our open enrollment period on May 4<sup>th</sup> (to run for four weeks through May 29<sup>th</sup>), for the new plan year that begins on July 1<sup>st</sup>. As you may know, 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 education cooperatives, representing about 40,000 covered lives.

Erica forewarned us in January that based on preliminary ten month claims information through October 2025, as well as revised medical trend information for our cooperative and region, that we should expect a preliminary renewal that was going to be much larger than “normal”. Over the past fifteen years or so we have typically realized annual health insurance premium increases of around 7%-10% for the PPO plans and 6%-8% for the HMO plans. We did have one year where our PPO increase was about 11.8%, but typically they have been below 10%. This year our EBC preliminary renewal has come in at 18.8% for the PPO plans and 16.4% for the HMO plans (about twice the normal increase). Erica wanted us to know this ahead of time in case we wanted the Blue Cross/Blue Shield underwriting department to prepare any “options” that included non-mandatory plan design changes to help bring this increase down a little bit. She did state right away, that there were no “nominal” plan design changes that could realize big enough savings to get our renewal increase down into single digits, but there might be some options that could potentially get the renewal down in the 10% to 15% range, depending on how much we were willing to change our plans. We currently have three PPO plans, with one being a High Deductible PPO with a Health Savings Account, and two HMO plans, with a range of coverage and pricing options that hopefully



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accommodates all of our staff. We have made nominal changes over the years, and most times the changes are either legislatively required or are slight enhancements to the health insurance plans.

Listed below is a brief summary of the plans and proposed options or changes that are being considered, and once we see/know what our final renewal premium increase looks like (they need to roll in the November 2025 and December 2025 claims data to finalize the renewal) we hope to develop a recommendation for the Board. I have also included a few summary spreadsheets that Erica provided us (with some of the options from underwriting to be considered). Based on our preliminary conversations, we asked Erica provide a little more detail for Option #1 for each plan with Specialty Drug Co-Pay levels of \$50 and \$100 to see how much those options reduced overall premiums. Depending on the final renewal increase percentage, and the final option selected, if any, we will hopefully then bring a unanimous recommendation regarding this renewal to the Board in April. The Board then need to act on the recommendation so that we can begin our Annual Open Enrollment Period in May and process any changes submitted in June, for a July 1, 2026 start date. As I mentioned earlier, these increases are preliminary and subject to change and they may go up or down a little bit as the final renewal is determined...

## Health Insurance

Erica provided 4 different options to our traditional PPO Plan and 3 different options to our Blue Choice PPO Plan, all of increasing scope and impact, from about 3.5% savings to 8.8% savings (see the attached spreadsheet for details). These options potentially affect deductibles, out of pocket limits, inpatient services, outpatient surgery co-pays, emergency room co-pays, co-insurance applications and prescription drug co-pays and tiers. Some were viewed as nominal/minimal and others were viewed as more significant, and it was unanimously decided early on to focus on the more nominal options (option #1 for each plan). The Committee also asked Erica to go back to BC/BS underwriting to see what the decrement would be if we only set the Specialty Drug Co-Pay at \$50, instead of \$100 (it is currently at \$10, which is lower than for generic drugs, and definitely needs to be adjusted to a more realistic level). She will provide that information at our next meeting. We are assuming that such a plan would realize about 3.5% in savings for the Traditional PPO and 3.4% for the Blue Choice PPO. The only changes currently being considered for the High Deductible PPO with an HSA are to raise the deductible and out of pocket maximums, as required by the IRS, and maintain the current "Board Seed" into an electing employee's HSA. For the HMO Plans it was also decided to focus on Option #1 changes for both the HMO Illinois Plan and the HMO Blue Advantage Plan. These nominal changes would decrease premiums by about 2% and 1% respectively, and as these plans are much less expensive than the PPOs it was felt that we should adjust them minimally in order to encourage potential migration into these less expensive options. It is hoped that all of these options, when combined with the final renewal pricing, will yield premium renewal increases under 15% for most plans, without dramatically changing the book of



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benefits for any of these plans. I'd be happy to discuss any of this information, or provide more details, as needed, and again, these optional changes are just currently in the discussion phase.

## Dental Insurance

No change to benefits or networks (provided by MetLife Dental) are being considered and the preliminary increase for the EBC was 4.4%, whereas the industry trend increased to 4.5% (the pool had a slightly below average claims year for the dental plan). We have been with MetLife Dental for 6 years now and they seem committed to keep our account and have been aggressive in pricing renewals under 5% in all but one year. With an established network and a mature account we can hopefully continue to realize premium increases under 5% going forward.

## Life Insurance

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

## Other Services

There are two new service plans being considered, an optional and voluntary employee pay program through MetLife and an EBC pay financial wellness program through MoneyLine. The optional employee pay program was initiated by us and includes streamlined voluntary Legal Insurance Services, Pet Insurance Services and Identity Protection Services plans provided by MetLife. We currently have standalone programs that are offered by MetLife, but they are not part of our EBC Program, or run through our BenefitSolver platform, and they therefore have minimal participation. By offering these programs through the EBC, and available on Benefitsolver, we believe that they will be better known, easier to use and more participated in. As they are voluntary and do not cost the school district anything to offer, we will be recommending adding these programs to replace the expiring stand alone programs. On the other hand, the Money Talks Financial Wellness program does come at a cost to the EBC (about .15% of premiums) and in a year where we are realizing premium increases that are about twice the norm, we believe that now is not the time to be adding a program that costs the EBC money. Therefore, I will be voting against adding that program, but if the majority of EBC members disagree with me the program will be added regardless (we can't individually opt out of the program). We will find out at the Final Renewal Meeting if this program gets added or not. I expressed my displeasure with adding a program that cost money (even if it is only .15% of premiums) in a year when we are all realizing increases that are double, or more, to what we normally incur, and there were several other Business Managers who felt the same way.



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We'll see if we have enough votes to stop the addition of this program, and we'll let you know as part of the recommendation if the program was added or not.

## Summary

A few interesting facts regarding our overall Pool activity and the Preliminary Renewal Proposal...

1. Again this year, Specialty Drug and Gene Therapy prescriptions represented just over 1% of pharmacy claims, but they made up over 50% of total drugs costs for the pool. It was again the most rapidly growing component of our cost structure for the second year in a row. That is why it is so important to have an effective Specialty Drug Cost Containment Program and an efficient Specialty Drug Co-Pay structure.
2. We are still utilizing generic drugs well at about an 88%-90% rate (a very good rate and slightly above the industry average), but we still need to try and improve on that number.
3. Our current Prescription Drug Management Program saved the EBC about \$43M this year alone, on a total spend of about \$400M (10.75% savings), and the new program is expected to increase those savings by another \$43M each year over the next three years...that is an excellent result and will help keep our Rx drug costs down.
4. Autoimmune conditions, diabetes complications, muscular/skeletal diseases, and depression and anxiety problems continue to be the leading cost drivers for our plan utilization (not counting unique/extraordinary situations that might lead to individual high cost claims).
5. Our High Deductible PPO Plan has grown to about 18 members and will have a few legislated increases in deductibles and out of pocket maximums this year. This plan has had lower costs and increases overall since its inception a few years ago and it is working well for those who participate and maintain an HSA.
6. Finally, we continue to offer various miscellaneous supplemental and voluntary insurance products and programs (some pre-tax and some after-tax) through a variety of providers, including Voya, Caremark, AllOne, SunLife, MetLife, and a few others, as well as some EBC sponsored and paid programs through EAP, Teledoc, Wondr, Livongo, Navigate, Hinge Health, and a few others.

We will keep you posted as we move through to the final renewal recommendation. Please let me know if you have any questions or need additional information. Thank you.