



Gallagher

Insurance | Risk Management | Consulting



EBC Board of Directors

Final Renewal July 1, 2025

Presented: March 19, 2025



Agenda

1 Public Comments

**2 Approve 1/29/2025 Preliminary
Renewal Meeting Minutes**

3 Final Renewal Projections
July 1, 2025

4 BCBS Legislative Updates

5 Stop Loss Marketing Results
July 1, 2025

6 2025-2026 Budget

7 Approval Items

**8 Executive Committee Officer
Positions**
July 1, 2025

1

Public Comments



Public Comments

The individuals appearing before the Board of Directors are expected to follow these guidelines:

- Address the Board of Directors only at the appropriate time as indicated on the agenda and when recognized by the Chairman of the Board of Directors. A period of up to 30 minutes for public comment will be allowed.
- Identify oneself and be brief. Each speaker will be permitted to speak for no more than 3 minutes.
- Conduct oneself with respect and civility toward others and otherwise abide by EBC Policy.
- If members of the public wishing to address the EBC focus their views on a particular issue, the Chairman or other presiding officer, shall endeavor to allow alternate or multiple views to be addressed.
- Members of the public not able to speak at EBC meetings because the time was taken up by others, may write to the Chairman of the EBC their views, which will be distributed to all EBC members.
- In the event that members of the public should violate the provisions of this policy or otherwise disturb meetings of the EBC, the Chairman or other presiding officer on his or her own discretion or as directed by a motion and vote of the Membership permitted to vote, may require a member of the public to follow these rules and to not otherwise cause a disturbance to the meeting and may take any steps permitted by law to cause such a person to be silenced or removed from the meeting.

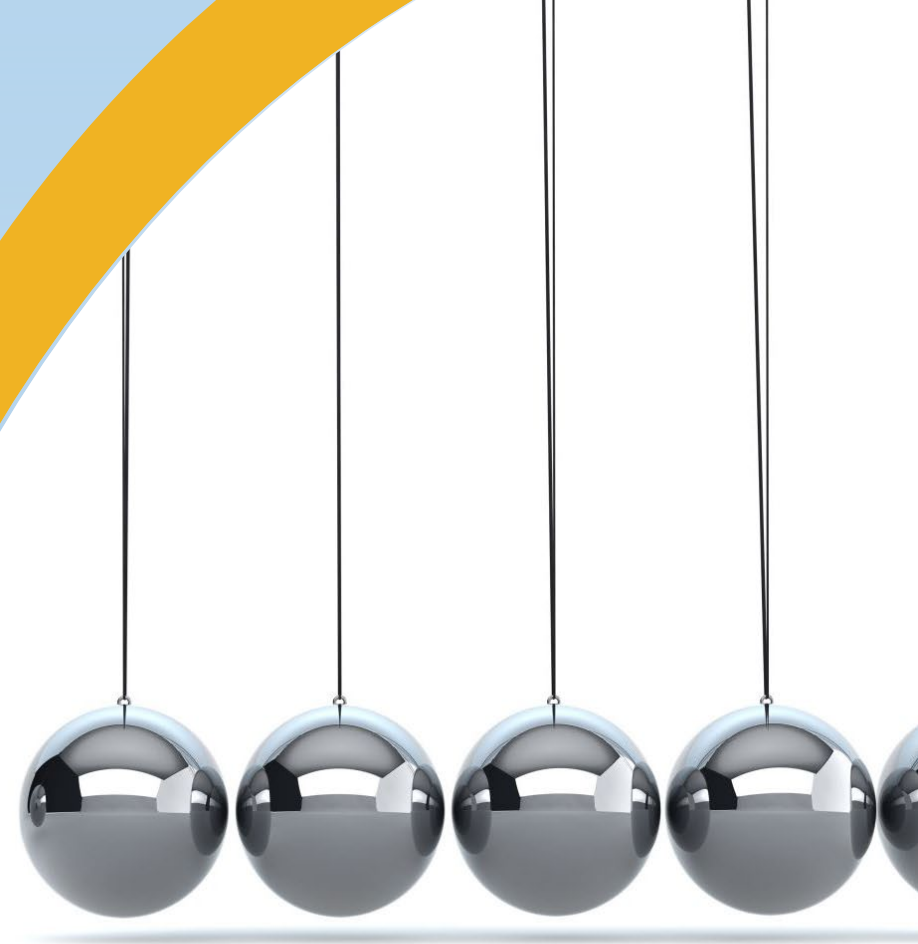
2

Approve January 29, 2025 Preliminary Renewal Meeting Minutes



3

Final Renewal
July 1, 2025



Final Renewal Projections – July 1, 2025

Executive Summary

PPO Medical	HMO Medical	Dental	Basic Life/AD&D
+6.9% EBC Final Average Adjustment EBC Trend: +8.0% EBC Average Loss Ratio: 104.1%	+5.2% EBC Final Average Adjustment EBC Trend: +7.0% EBC Average Loss Ratio: 100.0%	+4.0% EBC Final Average Adjustment EBC Trend: +4.0% EBC Average Loss Ratio: 94.2%	0.0% Current rates extended through 6/30/2027

Exhibit A: EBC Experience Period

1/1/2024 – 12/31/2024

<u>PPO</u>		
A	Revenue	\$407,452,115
B	Claims Under \$1,000,000	\$424,277,733
C	Paid Claim Loss Ratio (B/A)	104.1% Pool Loss Ratio which becomes the center of the Banding Formula (Exhibit C)
<u>HMO</u>		
A	Revenue	\$ 156,032,686
B	Claims Under \$350,000 plus Physician Services Fees	\$ 155,992,755
C	Paid Claim Loss Ratio (B/A)	100.0% Pool Loss Ratio which becomes the center of the Banding Formula (Exhibit C)
<u>DENTAL</u>		
A	Revenue	\$ 14,505,462
B	Claims	\$ 13,661,781
C	Paid Claim Loss Ratio (B/A)	94.2% Pool Loss Ratio which becomes the center of the Banding Formula (Exhibit C)

Exhibit A: Experience Period - PPO

		Experience Period 1/1/24 - 12/31/2024	% of Total Plan Costs
A.	Average Enrollment	20,881	
B.	Revenue	\$407,452,115	
C.	Claims under \$75,000	\$349,936,172	
D.	Claims \$75,000 - \$1,000,000	+	\$74,341,561
E.	Claims under \$1,000,000 (C + D)	=	\$424,277,733
F.	Rx Rebate	+	(\$56,853,954)
G.	Adjusted Claims (E - F)	=	\$367,423,779
H.	Plan Expenses		
	1. Claim Administration		\$12,322,916
	2. Reinsurance Premium/Liability	+	\$4,317,296
	3. Consulting Fees	+	\$2,752,743
	4. Healthcare Reform Fees	+	\$129,216
	5. Cooperative Charges	+	\$1,378,577
	6. Total Plan Expenses	=	\$20,900,749
I.	Total Plan Costs (G + H5)	=	\$388,324,528
J.	Paid Claim Loss Ratio (E / B)		104.1%
K.	Total Cost Loss Ratio (I / B)		95.3%

Exhibit A: Experience Period - HMO

HMO Experience Period Summary for 2025 to 2026 Renewal

		Experience Period 1/1/24 - 12/31/2024	% of Total Plan Costs
A.	Average Enrollment	10,610	
B.	Revenue	\$156,032,686	
C.	Claims under \$75,000	\$95,476,101	
D.	Claims \$75,000 - \$350,000	\$18,558,213	
E.	Claims under \$350,000 (C+D)	\$114,034,313	
F.	Physician Service Fees	+	\$41,958,442
G.	Total Claims and Physician Service Fees	=	\$155,992,755
H.	Rx Rebate	+	(\$15,558,527)
I.	Adjusted Claims (G-H)	=	\$140,434,229
J.	Plan Expenses		
	1. Claim Administration		\$7,017,102
	2. Reinsurance Premium	+	\$4,586,169
	3. Consulting Fees	+	\$1,441,454
	4. Healthcare Reform Fees	+	\$0
	5. Cooperative Charges	+	\$709,240
	6. Total Plan Expenses	=	\$13,753,964
K.	Total Plan Costs (I + J5)	=	\$154,188,192
L.	Paid Claim Loss Ratio (G / B)		100.0%
M.	Total Cost Loss Ratio (K / B)		98.8%

Exhibit A: Experience Period - Dental

Dental Experience Period Summary for 2025 to 2026 Renewal

		Experience Period 1/1/24 - 12/31/2024	% of Total Plan Costs
A.	Average Enrollment	16,743	
B.	Revenue	\$14,505,462	
C.	Claims	\$13,661,781	95.5%
D.	Plan Expenses		
	1. Claim Administration	\$650,758	
	2. Consulting Fees	+	\$0
	3. Total Plan Expenses	=	\$650,758
E.	Total Plan Costs (C + D3)	=	\$14,312,539
F.	Paid Claim Loss Ratio (C / B)		94.2%
G.	Total Cost Loss Ratio (E / B)		98.7%

Exhibit B: EBC Final Renewal Projection

<u>PPO</u>		
A	Projected Revenue	\$429,090,295
B	Projected Total Costs (Claims + Expenses)	\$458,745,974
C	Rate Increase (B/A)	6.9% Pool Average Rate Increase which becomes the center of the Banding Formula (Exhibit C)
<u>HMO</u>		
A	Projected Revenue	\$ 166,380,780
B	Projected Total Costs (Claims + Expenses)	\$ 174,993,009
C	Rate Increase (B/A)	5.2% Pool Average Rate Increase which becomes the center of the Banding Formula (Exhibit C)
<u>DENTAL</u>		
A	Projected Revenue	\$ 15,160,105
B	Projected Total Costs (Claims + Expenses)	\$ 15,766,093
C	Rate Increase (B/A)	4.0% Pool Average Rate Increase which becomes the center of the Banding Formula (Exhibit C)

Exhibit B: Renewal Projection - PPO

PPO Renewal Projection Summary for 2025 to 2026 Renewal

		Experience Period 7/1/25 - 6/30/2026	% of Total Plan Costs
A.	Projected Monthly Enrollment (#EEs)	21,346	
B.	Projected Annual Revenue	\$429,090,295	
C.	Claims under \$1,000,000	\$491,270,449	
D.	Estimated Annual Rx Rebates	+	(\$55,382,624)
E.	Adjusted Annual Claims under \$1,000,000 (C + D)	=	\$435,887,825 95.0%
F.	Plan Expenses		
	1. Claim Administration	\$12,888,723	
	2. Reinsurance Premium/Liability	+	\$3,692,269
	3. Consulting Fees	+	\$3,199,551
	4. Healthcare Reform Fees	+	\$155,583
	5. Cooperative Charges	+	\$2,922,022
	6. Total Plan Expenses	=	\$22,858,149 5.0%
G.	Total Plan Costs (E + F6)	\$458,745,974	
H.	Pool Average Rate Adjustment (G / B)	6.9%	
I.	Working Cash Fund Release		
J.	Revised Total Cost (G + I)	\$458,745,974	
K.	Revised Average Rate Adjustment (J / B)	6.9%	

Exhibit B: Renewal Projection - HMO

HMO Renewal Projection Summary for 2025 to 2026 Renewal

		Experience Period 7/1/25 - 6/30/2026	% of Total Plan Costs
A.	Projected Monthly Enrollment (#EEs)	10,943	
B.	Projected Annual Revenue	\$166,380,780	
C.	Claims under \$350,000	\$133,228,317	
D.	Physician Service Fees	+	\$46,400,591
E.	Total Claims and Physician Service Fees (C + D)	=	\$179,628,908
F.	Estimated Annual Rx Rebates	+	(\$20,656,007)
G.	Adjusted Annual Claims under \$350,000 (E + F)	=	\$158,972,901 90.8%
H.	Plan Expenses		
	1. Claim Administration		\$7,477,133
	2. Reinsurance Premium	+	\$5,404,755
	3. Consulting Fees	+	\$1,640,246
	4. Healthcare Reform Fees	+	\$0
	5. Cooperative Charges	+	\$1,497,973
	6. Total Plan Expenses	=	\$16,020,108 9.2%
I.	Total Plan Costs (G + H6)	=	\$174,993,009
J.	Pool Average Rate Adjustment (I / B)		5.2%
K.	Working Cash Fund Release		
L.	Revised Total Cost (I + K)		\$174,993,009
M.	Revised Average Rate Adjustment (L / B)		5.2%

Exhibit B: Renewal Projection - Dental

Dental Renewal Projection Summary for 2025 to 2026 Renewal

		Experience Period 7/1/25 - 6/30/2026	% of Total Plan Costs
A.	Projected Monthly Enrollment (#EEs)	17,339	
B.	Projected Annual Revenue	\$15,160,105	
C.	Claims	\$15,164,776	96.2%
D.	Plan Expenses		
	1. Claim Administration	\$601,317	
	2. Consulting Fees	+	\$0
	3. Total Plan Expenses	=	\$601,317 3.8%
E.	Total Plan Costs (C + D3)	=	\$15,766,093
F.	Pool Average Rate Adjustment (E / B)		4.0%
G.	Working Cash Fund Release		
H.	Revised Total Cost (E + G)		\$15,766,093
I.	Revised Average Rate Adjustment (H / B)		4.0%

Note: For details on the district-specific renewal increases for PPO, HMO, and Dental, please refer to Exhibits 16, 17, & 18 of the Appendix. These exhibits are based on the banding formula and can be found in your renewal binder.

Exhibit C: PPO Final Rate Adjustments

(See Appendix Exhibit 16,17, & 18 for Individual District Rate Adjustments)

PPO Average Loss Ratio = 104.1%		
<u>Paid Claim Loss Ratio</u>	<u>Rate Adjustment</u>	<u># of Members in Band</u>
0.0% to 74.1%	1.9%	3
74.2% to 80.6%	2.9%	3
80.7% to 87.1%	3.9%	4
87.2% to 93.6%	4.9%	10
93.7% to 100.1%	5.9%	25
100.2% to 108.1%	6.9%	38
108.2% to 114.6%	7.9%	23
114.7% to 121.1%	8.9%	8
121.2% to 127.6%	9.9%	5
127.7% to 134.1%	10.9%	0
134.2% +	11.9%	3

Exhibit C: HMO Final Rate Adjustments

(See Appendix Exhibit 16,17, & 18 for Individual District Rate Adjustments)

HMO Average Loss Ratio = 100.0%		
<u>Paid Claim Loss Ratio</u>	<u>Rate Adjustment</u>	<u># of Members in Band</u>
0.0% to 70.0%	0.2%	7
70.1% to 76.5%	1.2%	4
76.6% to 83.0%	2.2%	8
83.1% to 89.5%	3.2%	7
89.6% to 96.0%	4.2%	17
96.1% to 104.0%	5.2%	26
104.1% to 110.5%	6.2%	16
110.6% to 117.0%	7.2%	12
117.1% to 123.5%	8.2%	7
123.6% to 130.0%	9.2%	3
130.1% +	10.2%	1

Exhibit C: Dental Final Rate Adjustments

(See Appendix Exhibit 16,17, & 18 for Individual District Rate Adjustments)

DENTAL Average Loss Ratio = 94.2%		
<u>Paid Claim Loss Ratio</u>	<u>Rate Adjustment</u>	<u># of Members in Band</u>
0.0% to 64.2%	-1.0%	0
64.3% to 79.2%	1.5%	6
79.3% to 109.2%	4.0%	60
109.3% to 124.2%	6.5%	5
124.3% +	9.0%	0

4

BCBS Legislative Updates 2025





BlueCross BlueShield
of Illinois



EBC Final Renewal Meeting

March 19, 2025

2025 Legislative Updates

This communication is intended for informational purposes only. It is not intended to provide, does not constitute, and cannot be relied upon as legal, tax or compliance advice. Furthermore, this communication is not intended to provide tax advice, and any tax-related statements that may be contained herein is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matters herein. Please consult with your legal, compliance and tax professionals to understand your legal, compliance and tax obligations under the law.

Illinois House Bill 3639 Epinephrine Injectors (EpiPen) Cap Mandate

Effective 1/1/2025 regardless of renewal date

Applies to:

PPO and HMO, Grandfathered and Non-Grandfathered

What you need to know: sets a cap on how much a member can pay for covered epinephrine injectors, such as EpiPens®. Member cost-sharing cannot be more than **\$60 for a twin-pack**.

The cost-sharing cap is per twin-pack, not per prescription. For example, a member filling a prescription for two twin-packs would pay no more than \$120.

Members of high-deductible health plans must meet their deductible before the cost-sharing cap applies.

What's the impact to our plans?

Impacted plans whose members currently pay more than \$60 will have benefits adjusted to limit the member cost-sharing to \$60 per twin-pack. Plans that impose a lower cost-share than the \$60 cap will not require a benefit change – the cap is the most a member can pay, not the least. The cap applies regardless of whether a plan has a copay or coinsurance – either way, members cannot pay more than \$60.

Members must fill the prescription at an **in-network pharmacy** to have their cost-sharing capped.

Illinois House Bill 2189 Insulin Cap Mandate

Effective 7/1/2025 regardless of renewal date

Applies to:

PPO and HMO, Grandfathered and Non-Grandfathered

What you need to know: sets a cap on how much a member can pay for insulin.

Member cost-sharing for covered prescription insulin cannot be more than **\$35 for a 30-day supply**.

This mandate replaced the previous cap of \$100.

What's the impact to our plans?

Impacted plans will have benefits adjusted to limit the member cost-sharing to \$35 per 30-day prescription.

Members of high-deductible health plans **do not** have to meet their deductible before the cost-sharing cap applies.

Illinois House Bill 2443/5493 Hearing Aid Changes

Effective with 7/1/2025 renewal

Applies to:

PPO and HMO, Grandfathered and Non-Grandfathered

What you need to know:

Illinois House Bill 2443 requires coverage of medically necessary hearing instruments and related services when prescribed by a hearing care professional. The mandate also **removes the age limit** on hearing aid coverage, requiring coverage for all impacted members, not just those under 18.

Illinois House Bill 5493 is an omnibus bill that amends multiple provisions of the Illinois insurance code, including the repeal of a requirement for certain insurance policies to offer optional coverage for hearing instruments and related services.

What's the impact to our plans?

Medically necessary hearing aids and related services will be covered (one aid per ear every 24 months) **regardless of age**. Any existing dollar limits for hearing aids and related services **will be removed**.

Illinois House Bill 1565 Vaginal Estrogen Coverage

Effective 1/1/2025 regardless of renewal date

Applies to:

PPO and HMO, Grandfathered and Non-Grandfathered

What you need to know: requires plans to cover at least one FDA-approved vaginal estrogen at the same cost-share level as covered prescriptions for erectile dysfunction (ED).

What's the impact to our plans?

Current coverage of vaginal estrogen products is generic Estrace covered at the non-preferred generic Tier 2 cost share. This bill mandated that we move that product to Tier 1 preferred generic to match the ED cost share

Preferred and Non-Preferred generics with the same member share; No member impact

Illinois House Bill 1527 Compression Sleeves

Effective with 7/1/2025 renewal

Applies to:

PPO and HMO, Grandfathered and Non-Grandfathered

What you need to know: requires coverage of medically necessary compression sleeves to prevent or mitigate lymphedema.

What's the impact to our plans?

- Compression sleeves will be covered to prevent or mitigate lymphedema when medically necessary.
- Benefit booklets were updated to include mitigating lymphedema as a medical necessity.
- All applicable CPT codes for mitigating lymphoma have been flagged for medical necessity review.

Illinois House Bill 1282 Liver Disease Screening

Effective with 7/1/2025 renewal

Applies to:

PPO and HMO, Grandfathered and Non-Grandfathered

What you need to know: requires coverage of preventive liver screenings for individuals 35-65 years old who are at high risk for liver disease, without cost sharing.

- Members of high-deductible health plans must meet their deductible before the screenings are covered without cost sharing.

What's the impact to our plans?

Liver ultrasounds and alpha-fetoprotein blood tests will be covered for members who are at high risk for liver disease.

Illinois House Bill 3202 Home Saliva Cancer Screening

Effective with 7/1/2025 renewal

Applies to:

PPO and HMO, Grandfathered and Non-Grandfathered

What you need to know: requires coverage of medically necessary home saliva cancer screening every 24 months for individuals who are asymptomatic and at risk for or who show symptoms of the cancer being screened. (detects oral, throat and potential prostate cancer)

What's the impact to our plans?

Home saliva cancer screenings will be covered every 24 months for members who are asymptomatic and at risk for, or show symptoms of, the cancer being screened.

Illinois House Bill 2350 Pap Test and Prostrate Cancer Screenings

Already in place

Applies to:

PPO, Grandfathered and Non-Grandfathered

What you need to know: this is an expansion of a previously implemented house bill (HB 5318 (PA 102-1073) and amends existing language to remove gender references from requirements around pap tests and prostate cancer screenings.

What's the impact to our plans?

There are no benefit changes to BCBSIL plans as a result of this mandate.

Illinois House Bill 2847 Mental Health Equity Access and Prevention Act

Applies to:

PPO effective 7/1/2025

HMO plans are effective January 1, 2025 regardless of renewal date.

Grandfathered and Non-Grandfathered plans

What you need to know: requires coverage without cost sharing for an annual mental health preventive and wellness visit for children and adults.

- Only mental health screening services recommended by the United States Preventive Services Task Force or by the Bright Futures Guidelines will be eligible for coverage without cost sharing under this law.
- The visit is in addition to an annual preventive physical exam/well-child visit.
- Members of high-deductible plans must meet their deductible to have this visit covered without cost sharing if such coverage would disqualify their plan from HSA eligibility.

What's the impact to our plans?

- For non-grandfathered plans, this is a benefit booklet change. The Affordable Care Act already requires coverage for mental health screenings without cost sharing.
- Note that ACA Preventive Services are covered without cost sharing pre-deductible, even for HDHP plans. Because this benefit is covered under ACA as a preventive service, members of a high-deductible plan **don't** need to meet their deductible first to have the benefit covered without cost sharing

5

Stop Loss Marketing Results July 1, 2025





■ EBC Stop Loss Analysis

Chuck Bertolina, Division Vice President, Stop Loss & Captives
March 19, 2025



Gallagher

Insurance | Risk Management | Consulting

[AJG.com](https://www.AJG.com)

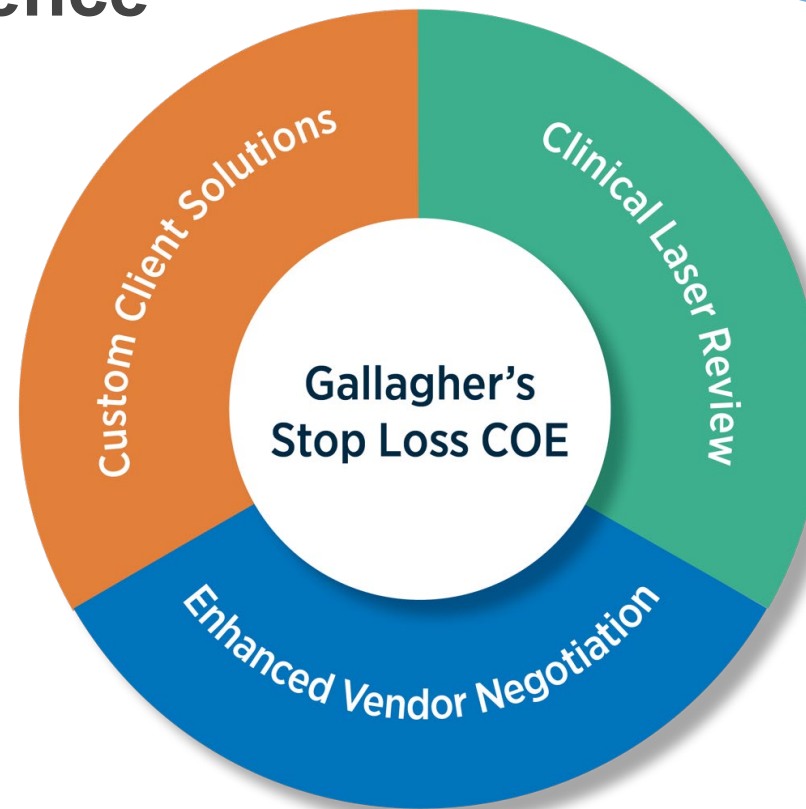
©2024 ARTHUR J. GALLAGHER & CO.

Gallagher's Stop Loss Center of Excellence

Redefining excellence in managing Stop Loss coverage

Stop-loss optimization is a key strategy in designing and maintaining an effective and sustainable self-funded healthcare benefit program. Gallagher brings enhanced resources and expertise in stop loss, including:

- Stop Loss Subject Matter Experts
- Consulting (Client Education and Strategy)
- Actuaries
- Clinicians
- Financial Consultants
- Underwriters
- Reporting and Claim Specialists

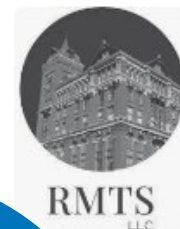


We have more than \$1.5 billion of in-force stop loss premiums across 2,500+ self-funded clients.

Gallagher Stop Loss Panel Carriers

Standalone Carriers (unbundled)

MGUs (Currently <200 Lives)



Panel Partners

BUCAs (bundled)



Other (Captives, Consortiums)



About the Gallagher/Symetra Relationship

**Gallagher is a top 3
broker partner to Symetra**

**With recent M&A activity,
Gallagher will likely be #1**

\$165 Million
premium with Symetra

175,000+
Covered lives
from 274 self funded
employers

**Gallagher is a member of
Symetra's broker panel**

**Direct relationships with
key decision makers**

- Stop loss underwriting
- Claims/Clinical

About the Gallagher/HCSC Relationship

**Gallagher is a Top 3
Broker Partner to HCSC**

**With Recent M&A
Activity, Gallagher Will
Likely Be #1**

\$188 Million
premium with HCSC

200,000+
Subscribers
From 201 Self Funded
Employers

**Gallagher Is A Member Of
HCSC Broker Panel**

**Direct Relationships With
Key Decision Makers**

- Stop loss underwriting
- Claims/Clinical
- Administration

Current Deductible: Specific Stop Loss Marketing



		Firm Quote Expires 02/21/25	Firm Quote Expires 03/07/25	Firm Quote Expires 03/24/25	Firm Quote Expires 04/10/25	Illustrative Quote Expires No date shown	Firm Quote Expires 03/20/25	Illustrative Quote Expires No date shown	Illustrative Quote Expires No date shown
EBC (21,331 Employees)	Current	Initial Renewal	Renewal LAFO	Option 1	Option 2 BAFO	Option 3 Preliminary	Option 4 BAFO	Option 5	Option 6
	Symetra	Symetra	Symetra	BCBSIL (24/12)	BCBSIL (Paid)	Voya (24/12)	Voya (24/12)	Sun Life (24/12)	Wellpoint (24/12)
Specific Individual Stop Loss									
Contract Basis	Paid	Paid	Paid	24/12	Paid	24/12	24/12	24/12	24/12
Run-in Limit	No	No	No	No	No	No	No	No	No
Contract Includes	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx
Specific Deductible	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Renewal Rate Cap	60%	60%	50%	45%	45%	50%	50%	50%	60%
No New Laser	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Proposed Lasers	No	No	No	No	No	No	No	No	No
Specific Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Specific Lifetime Maximum Liability	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Aggregating Specific Stop Loss (\$)	\$473,565	\$473,565	\$473,565	\$475,000	\$475,000	\$473,565	\$473,565	\$473,565	\$473,565
REINSURANCE COSTS									
Specific Premium									
Employee (12000)	\$15.71	\$13.88	\$13.03	\$13.35	\$12.56	\$15.09	\$13.87	\$14.82	\$15.71
Employee + Spouse (1104)	\$15.71	\$13.88	\$13.03	\$13.35	\$12.56	\$15.09	\$13.87	\$14.82	\$15.71
Employee + Child(ren) (1237)	\$15.71	\$13.88	\$13.03	\$13.35	\$12.56	\$15.09	\$13.87	\$14.82	\$15.71
Family (6990)	\$15.71	\$13.88	\$13.03	\$13.35	\$12.56	\$15.09	\$13.87	\$14.82	\$15.71
Monthly Reinsurance Total	\$335,110	\$296,074	\$277,943	\$284,769	\$267,917	\$321,885	\$295,861	\$316,125	\$335,110
Annual Reinsurance Total	\$4,021,320	\$3,552,891	\$3,335,315	\$3,417,226	\$3,215,008	\$3,862,617	\$3,550,332	\$3,793,505	\$4,021,320
Dollar Increase From Current	N/A	-\$468,429	-\$686,005	-\$604,094	-\$806,312	-\$158,703	-\$470,988	-\$227,815	\$0
Percentage Increase From Current	N/A	-11.65%	-17.06%	-15.02%	-20.05%	-3.95%	-11.71%	-5.67%	0.00%
ADDITIONAL CLAIMS RISK									
Additional Laser Liability and Agg Spec	\$473,565	\$473,565	\$473,565	\$475,000	\$475,000	\$473,565	\$473,565	\$473,565	\$473,565
Total Dollar Increase From Current	N/A	-\$468,429	-\$686,005	-\$602,659	-\$804,877	-\$158,703	-\$470,988	-\$227,815	\$0
Percentage Increase From Current	N/A	-10.42%	-15.26%	-13.41%	-17.91%	-3.53%	-10.48%	-5.07%	0.00%

Current Deductible: Specific Stop Loss Marketing



EBC (21,331 Employees)	Current Symetra	Firm Quote Expires 03/07/25	Firm Quote Expires 04/10/25
		Renewal LAFO Symetra	Option 2 BAFO BCBSIL (Paid)
Specific Individual Stop Loss			
Contract Basis	Paid	Paid	Paid
Run-in Limit	No	No	No
Contract Includes	Medical & Rx	Medical & Rx	Medical & Rx
Specific Deductible	\$1,000,000	\$1,000,000	\$1,000,000
Renewal Rate Cap	60%	50%	45%
No New Laser	Yes	Yes	Yes
Proposed Lasers	No	No	No
Specific Annual Maximum	Unlimited	Unlimited	Unlimited
Specific Lifetime Maximum Liability	Unlimited	Unlimited	Unlimited
Aggregating Specific Stop Loss (\$)	\$473,565	\$473,565	\$475,000
REINSURANCE COSTS			
Specific Premium			
Employee (12000)	\$15.71	\$13.03	\$12.56
Employee + Spouse (1104)	\$15.71	\$13.03	\$12.56
Employee + Child(ren) (1237)	\$15.71	\$13.03	\$12.56
Family (6990)	\$15.71	\$13.03	\$12.56
Monthly Reinsurance Total	\$335,110	\$277,943	\$267,917
Annual Reinsurance Total	\$4,021,320	\$3,335,315	\$3,215,008
Dollar Increase From Current	N/A	-\$686,005	-\$806,312
Percentage Increase From Current	N/A	-17.06%	-20.05%
ADDITIONAL CLAIMS RISK			
Additional Laser Liability and Agg Spec	\$473,565	\$473,565	\$475,000
Total Dollar Increase From Current	N/A	-\$686,005	-\$804,877
Percentage Increase From Current	N/A	-15.26%	-17.91%

Stop Loss Executive Summary

Renewal Symetra

Total fixed costs decreasing -17% for approximate annual decrease of \$686,005

- Symetra also offered a potential dividend for a load to renewal of approx. \$41,000
- Potential dividend of approx. \$400,000 (no stop loss reimbursements)
- **Symetra renewal includes:**
 - Aggregating Specific \$473,565
 - No lasers with renewal rate cap at 50%

Market Results & Competitive quote from HCSC (BCBSIL)

- Declined to Quote (DTQ) due to uncompetitive rates: BCS Financial, HM Life Insurance, Tokio Marine, Optum
- Provided proposals: HCSC, Sun Life, Voya and Wellpoint, with HCSC being competitive

HCSC total costs decreasing -20% for approximate annual decrease of \$806,312

- **HCSC quote includes:**
- Aggregating Specific \$475,000
- No lasers with renewal rate cap at 45%

Stop Loss Executive Summary

Rate Histories and Loss Ratios

2021/2022

- **Rate-** \$13.09 with a 25% increase from previous policy year
- **Loss Ratio-** 0% with \$0 in claim reimbursements

2022/2023

- **Rate-** \$13.76 with a 5% increase from previous policy year
- **Loss ratio-** 40% with \$1,228,403 in claim reimbursements

2023/2024

- **Rate-** \$14.45 with a 5% increase previous policy year
- **Loss Ratio-** 31% with \$1,090,674 in claim reimbursements

Current YTD

- **Rate-** \$15.71 with a 9% increase from previous policy year
- **Loss Ratio-** 0% (thru 12/31) with \$0 in claim reimbursements

High-Cost Claim Trends

Top 20 Conditions

- 72% of all stop-loss claims came from the top 10 conditions.
- Cardiovascular has moved to the #2 spot for highest reimbursement over the four-year view: Leukemia, Lymphoma, and Multiple Myeloma is now #3
- During 2019-2022, policy years, 87% of employers experienced a high-cost claim

High-Cost Injectable Drugs

- Five new drugs are on the 20 high-cost injectable drugs list in 2023; 2 are used primarily in the treatment of cancer, 1 for immunodeficiency disorders, one for gout, 1 for blood disorders
- The top 10 injectable drugs all had over \$10M in total spend; Keytruda still at #1 with \$69.7M in spend

\$1.5 Million+ Claims

- Million-dollar claims rose 8% on a claims per million covered employees basis over the past year and are up 50% over the last 4 years
- 32 members had a claim over \$3M; 9 of those claims were over \$4M, with the highest claim over \$11M
- 16 of 32 of our members with a \$3M+ claim were impacted by Congenital Anomalies

Newborn Care And Congenital Anomalies

With The Higher-than-average Female Population, Newborn Care And The Associated Costs Need To Be Monitored And Managed

- In 2023, over 500 members had Newborn/Infant Care claims (avg. cost \$470.8K) and over 400 had Congenital Anomaly claims (avg. cost \$236.2K).
- Newborn/Infant Care had the 5th highest million-dollar+ claims and ranked 3rd in high-cost stop-loss reimbursements.
- Nationally, congenital anomalies affect 3% of babies and 1.4 million adults live with congenital heart defects.
- High-risk births can have significant financial impact but holistic care and services in early years can improve outcomes and help manage long-term costs.

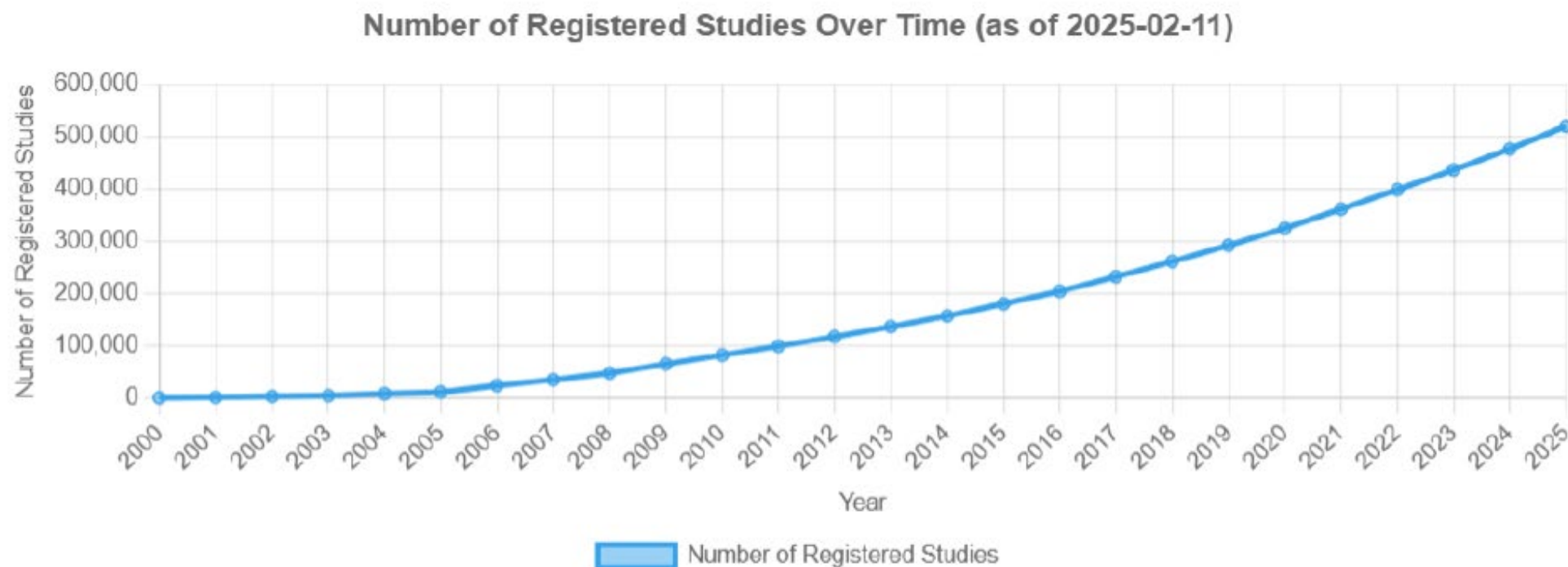
Since 2020, we've seen a:

37.2%
Increase in newborn claims

23.8%
Increase in congenital anomaly claims

What is coming?

Clinical Trials on the Rise



- Approximately 3,900 gene therapy trials ongoing or completed worldwide across 46 countries. The US has the majority at 2,054
- 112,200 studies on cancer (including completed, terminated/withdrawn, active)
- 13,651 in Autoimmune Diseases
- 63,065 in Cardiovascular Diseases

Cell and Gene Therapy Costs

List Prices of Select FDA-Approved Cell and Gene Therapies



A report in *Nature* from April of 2024 concluded that the annual cost of cell and gene therapies averaged \$20.4 billion per year.

Thank you

Chuck Bertolina, Division Vice President, Stop Loss & Captives

©2025 ARTHUR J. GALLAGHER & CO.



Gallagher

Insurance | Risk Management | Consulting

6

2025-2026 Budget



7

Approval Items July 1, 2025



Approval Items

Annual Approval Motion

I move that the following items be approved in the 2025-2026 EBC final renewal:

- Contribution adjustments from the members for the fiscal year beginning July 1, 2025 be set at 6.9% for PPO, 5.2% for HMO, and 4.0% for dental
- Gallagher five-year contract commencing 7/1/2025
- Hinge Health commencing 7/1/2025
- Stop loss contract with BCBS (HCSC) commencing 7/1/2025
- Proposed budget for 2025-2026

That no funds be allocated this fiscal year from reserve funds (working cash), and that contribution fees be collected from each Member in accordance with this motion.

8

Executive Committee Officer Positions July 1, 2025



Executive Committee Officer Positions

Term: 7/1/2025 to 6/30/2027

Incumbents:

Chairperson: Jeff Feyerer (Fairview SD 72)

Vice Chairperson: Jessica Donato (Northbrook SD 28)

Treasurer: Tage Shumway (Southwest Cook County CASE)

Thank you

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services." Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.

©2025 ARTHUR J. GALLAGHER & CO.



Gallagher

Insurance | Risk Management | Consulting