



MEMORANDUM

TO: Board of Education
FROM: Steve Wilt, CSBO
DATE: April 12, 2023
RE: Insurance Rates FY24

The EBC Renewal Meeting was held on March 16, 2023. The change in insurance rates for the various health insurance and life insurance products for District 7 are as follows:

Medical Insurance: PPO + 12.4%
HMO + 9.5%

Dental Insurance: HMO- 0% increase through FY25
PPO- Option 1: 0% increase in FY24 Renewal in FY25
Option 2: 3.5% increase in FY24 0% in FY25

Vision Insurance: Option 1: 0% increase in FY24 Renewal in FY25
Option 2: 3.0% increase in FY24 0% in FY25

Life Insurance: 0% increase through FY25

I recommend Option 1 for dental and vision insurance. The rate increase in the FY25 renewal would need to be higher than 7% for dental and 6% for vision to make Option 2 the better choice.

A combination of rising costs and high usage led to the increase for the upcoming year. The PPO change affects the district financially since the employer paid benefit is tied to the 100% PPO single premium. The estimated cost increase is \$195,000 over FY22.

If you have questions do not hesitate to call.