



MarshMcLennan
Agency

Village of Orland Park 2026 Renewal

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09/22/2025

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Agenda

- 1 Ancillary Renewals
- 2 Medical Renewal Overview
- 3 Renewal Projection
- 4 Open Enrollment Decisions



A woman with long, straight grey hair is shown in profile, looking towards the left. She is wearing a dark blue button-down shirt. In the background, a man with a beard and glasses is blurred, looking in the same direction. The scene appears to be indoors, possibly in a meeting or presentation setting.

Ancillary Renewal

Dental Renewal | Optional Programs

Ancillary Executive Summary

- Vision Renewal – BCBS is not requesting any change in rate or plan design for 2026
 - A request to reduce current rates was denied
- Life/Voluntary Life/Disability Renewal – BCBS is not requesting a change in rate or plan design for 2026
 - A request to reduce current rates was denied
- BCBS dental renewal is requesting a minimal increase for 2026. Administration fee remains flat at \$5.31 PEPM
 - Claim cost for 2025 were projected to be \$91.51. 2026 projected claim cost is \$91.76 for an annual increase of just under \$1,000
 - 2025 Projected cost were \$363,655. Premium equivalents totaled \$330,935 or fall short by 9% of funding projected cost

A young woman with dark hair and glasses, wearing a yellow shirt, is smiling and looking towards the camera. A doctor's hands are visible in the foreground, examining her arm. The background is a bright, indoor setting with a window and a plant.

2026 Revised Medical Renewal Projection

State of the Market

Average Trend Increase for 2026:

6.5%

Medical

12%

Pharmacy

Several reasons for higher-than-usual trend and increases are:

- Advances in specialized treatments
- Increased overall utilization, returning to pre-pandemic rates
- Increased mental health services
- New high-cost drugs coming to market
- High utilization of GLP-1
- Unprecedented number of high-cost claimants

Average Overall Increase for 2026 Renewals:

16%

Public Sector

17%

Private Sector

Medical Executive Summary

- BCBS initial renewal request was a blended 16.88% increase or \$1,027,072 annually.
 - Individual stop loss (ISL) was responsible for largest portion of increases. PPO and HMO ISL increased 50%.
 - Claim cost increased 4.1% on the PPO and 9.4% on the HMO.
- Rate relief was granted reducing the administration fee -1.5% and stop loss fee -10%.
- Revised renewal assuming no plan changes or change in stop loss level reduces the renewal to a blended 13.56% or \$824,468 annually.
 - BCBS has agreed to providing the Village with a \$40,000 wellness credit
- An option to increase the ISL to \$125K is included This reduces the renewal to a blended 10.70% increase or \$651,111 annually. Village would assume \$25K more per claimant over the current \$100K stop loss.
 - Combined net savings over initial renewal -\$375,962
 - Combined net savings over revised renewal -\$173,357
- PPO ISL savings with change to \$125K shows \$246,635 savings over revised renewal – breakeven point would be 9 claimants
- HMO ISL savings with change to \$125K shows \$68,405 savings over revised renewal – break even point would be 2 claimants

At \$125K ISL

HMO 2024 would have paid additional \$25K	HMO 2025 would have paid additional \$55,877
PPO 2024 would have paid additional \$103,565	PPO 2025 would have paid additional \$85,275

At \$150K ISL

HMO 2024 would have paid additional \$50K	HMO 2025 would have paid additional \$80,877
PPO 2024 would have paid additional \$178,565	PPO 2025 would have paid additional \$110,275

- MMA Rx Solutions review of pharmacy renewal shows potential improvement on contract of \$80,000

Renewal Fees and Credits

- MMA negotiated \$40,000 credit with BCBS

PPO/HDHP

- BCBS 2026 initial renewal is requesting 16.4% increase
 - Administrative Fee increased 3.5%, from \$61.50 to \$63.69. Rate relief reduced increase to \$62.77 (includes bundling discounts)
 - MDLIVE, medical rebate credit, and MMA fees all remain unchanged
 - Rx rebate credit decreased 40.6%, from \$131.22 to \$78.00, reducing the annual rebate credit by \$103.459
 - Net administrative fee (admin less rebates) decreased 79.3% from -\$71.70 to -\$17.21
 - Individual Stop Loss increased 50% from \$472.56 to \$708.88 PEPM or + \$459,406 annually
 - *10% final rate relief granted reducing annual increase to \$303,011*
 - Stop Loss Pooling Level \$100,000
 - Aggregate Stop Loss – increased 18.7% from \$26,107 to \$30,984 annually
 - Projected claim cost increased 4.1% from \$1,844.44 to \$1,920.26 PEPM

HMO

- BCBS 2026 initial renewal is requesting 18.18% increase
 - Administrative Fee increased .56%, from \$61.50 to \$63.69. Rate relief reduced increase to \$62.77 (includes bundling discounts)
 - Rx rebate credit decreased 40.6%, from \$131.22 to \$78.00, reducing the annual rebate credit by \$62,309.44
 - Net administrative fee (admin less rebates) decreased 82.37% from -\$69.72 to -\$15.23
 - Individual Stop Loss increased 50% from \$221.04 to \$331.56 PEPM or +\$126,892 annually
 - *10% rate relief granted reducing annual increase to \$83,531*
 - Stop Loss Pooling Level \$100,000
 - Aggregate Stop Loss decreased 15.7% from \$19,385 to \$22,422 annually
 - Projected capitations (HMO managed care and physician fees) increased by 3.7% or \$17,817 annually
 - Projected claim cost increased 9.4% from \$867.88 to \$949.43 PEPM

2026
Total
Projected
Cost

PPO Enrollment	162								
HMO Enrollment (44 single/52 dependent)	96								
Total Enrollment Count	258	Current		Renewal		Revised Renewal \$100,000		Renewal with ISL to \$125K	
Claim Administrator / Med/ Pharmacy /ISL/ASL		BCBS of IL-PPO	BCBS of IL - HMO	BCBS of IL-PPO	BCBS of IL - HMO	BCBS of IL-PPO	BCBS of IL - HMO	BCBS of IL-PPO	BCBS of IL - HMO
Fixed Costs									
Administrative Services Fee (ASO)									
Base Admin Fee		\$61.50	\$61.50	\$63.69	\$63.69	\$62.77	\$62.77	\$62.77	\$62.77
Pharmacy Credit		(\$131.22)	(\$131.22)	(\$78.00)	(\$78.00)	(\$78.00)	(\$78.00)	(\$78.00)	(\$78.00)
MLR		(\$2.50)	\$0.00	(\$2.50)	\$0.00	(\$2.50)	\$0.00	(\$2.50)	\$0.00
Virtual Visits		\$0.52	\$0.00	\$0.52	\$0.00	\$0.52	\$0.00	\$0.52	\$0.00
HMO Single Physician Fee		\$0.00	\$177.93	\$0.00	\$179.34	\$0.00	\$179.34	\$0.00	\$179.34
HMO Family Physician Fee		\$0.00	\$620.80	\$0.00	\$648.16	\$0.00	\$648.16	\$0.00	\$648.16
HMO Managed Care Fee		\$0.00	\$15.27	\$0.00	\$17.14	\$0.00	\$17.14	\$0.00	\$17.14
Administration Fee PEPM		-\$71.70	\$363.37	-\$16.29	\$436.11	-\$17.21	\$435.19	-\$17.21	\$435.19
Annual Total PPO - HMO		-\$139,384.80	\$418,599.84	-\$31,667.76	\$502,403.52	-\$33,456.24	\$501,343.68	-\$33,456.24	\$501,343.68
Total PPO & HMO			\$279,215.04		\$470,735.76		\$467,887.44		\$467,887.44
Specific Stop Loss (SSL)									
Contract - Specific & Aggregate		Paid Med/Rx	Paid Med/Rx	Paid Med/Rx	Paid Med/Rx	Paid Med/Rx	Paid Med/Rx	Paid Med/Rx	Paid Med/Rx
Specific Deductible		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$125,000	\$125,000
Specific Reinsurance PEPM		\$472.56	\$221.41	\$708.88	\$331.56	\$628.43	\$293.92	\$501.56	\$234.54
Total Specific Premium - Annual		\$918,656.64	\$255,064.32	\$1,378,062.72	\$381,957.12	\$1,221,667.92	\$338,595.84	\$975,032.64	\$270,190.08
Total PPO & HMO			\$1,173,720.96		\$1,760,019.84		\$1,560,263.76		\$1,245,222.72
Aggregate Stop Loss (ASL)									
Aggregate Corridor		120%	120%	120%	120%	120%	120%	120%	120%
Aggregate Maximum Benefit		Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Aggregate Premium PEPM		\$13.43	\$16.83	\$15.94	\$19.46	\$15.94	\$19.46	\$15.94	\$19.46
Total Aggregate Premium - Annual		\$26,107.42	\$19,385.00	\$30,984.00	\$22,422.00	\$30,984.00	\$22,422.00	\$30,984.00	\$22,422.00
Total PPO & HMO			\$45,492.42		\$53,406.00		\$53,406.00		\$53,406.00
Total Fixed Cost (ASO + SSL + ASL)									
Fixed Costs PEPM		\$414.29	\$601.61	\$708.53	\$787.14	\$627.16	\$748.58	\$500.29	\$689.19
Total Fixed Costs - Annual		\$805,379.26	\$693,049.16	\$1,377,378.96	\$906,782.64	\$1,219,195.68	\$862,361.52	\$972,563.76	\$793,946.88
Claim Costs									
Expected Claims									
Expected Claims PEPM		\$1,844.44	\$867.88	\$1,920.26	\$949.43	\$1,920.26	\$949.43	\$1,979.75	\$972.03
Total Expected Claims - Annual		\$3,585,591.36	\$999,797.76	\$3,732,985.44	\$1,093,743.36	\$3,732,985.44	\$1,093,743.36	\$3,848,634.00	\$1,119,778.56
Total PPO & HMO			\$4,585,389.12		\$4,826,728.80		\$4,826,728.80		\$4,968,412.56
Aggregate (Maximum) Claim Liability									
Aggregate Claims PEPM		\$2,213.33	\$1,041.46	\$2,304.31	\$1,139.32	\$2,304.31	\$1,139.32	\$2,375.70	\$1,166.44
Total Aggregate (Maximum) Claims - Annual		\$4,302,709.63	\$1,199,757.31	\$4,479,582.53	\$1,312,492.03	\$4,479,582.53	\$1,312,492.03	\$4,618,360.80	\$1,343,734.27
Total PPO & HMO			\$5,502,466.94		\$5,792,074.56		\$5,792,074.56		\$5,962,095.07
Total Costs									
Total Expected Costs (Fixed Costs + Expected Claims)									
Fixed Costs PEPM		\$414.29	\$601.61	\$708.53	\$787.14	\$627.16	\$748.58	\$500.29	\$689.19
Expected Claims PEPM		\$1,844.44	\$867.88	\$1,920.26	\$949.43	\$1,920.26	\$949.43	\$1,979.75	\$972.03
Expected + Fixed Costs PEPM		\$2,258.73	\$1,469.49	\$2,628.79	\$1,736.57	\$2,547.42	\$1,698.01	\$2,480.04	\$1,661.22
Total Expected Costs - Annual		\$4,390,970.62	\$1,692,846.92	\$5,110,364.40	\$2,000,526.00	\$4,952,181.12	\$1,956,104.88	\$4,821,194.4	\$1,913,734.32
Total PPO & HMO			\$6,083,817.54		\$7,110,890.40		\$6,908,286.00		\$6,734,928.72
\$ Change/Current									
				\$719,393.78	\$307,679.08	\$561,210.50	\$263,257.96	\$430,223.78	\$220,887.40

2026 Total Cost

	2025		Initial Renewal		Final Revised 2026		Final 2026 with \$125K ISL	
<i>Fixed & Expected Claim Cost</i>	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO
Fixed Costs PEPM	\$414.29	\$601.61	\$708.53	\$787.14	\$627.16	\$748.58	\$500.29	\$689.20
Expected Claims PEPM	\$1,844.44	\$867.88	\$1,920.26	\$949.43	\$1,920.26	\$949.43	\$1,979.75	\$972.03
Expected + Fixed Costs PEPM	\$2,258.73	\$1,469.49	\$2,628.79	\$1,736.57	\$2,547.42	\$1,698.01	\$2,480.04	\$1,661.23
Total Expected Costs - Annual	\$4,390,970.62	\$1,692,846.92	\$5,110,367.76	\$2,000,528.64	\$4,952,184.48	\$1,956,107.52	\$4,821,194.40	\$1,913,734.32
Combined Cost	\$6,083,817.54		\$7,110,896.40		\$6,908,292.00		\$6,734,928.72	
BCBS 2026 Credit			-\$40,000.00		-\$40,000.00		-\$40,000.00	
Net 2026 Medical			\$7,070,896.40		\$6,868,292.00		\$6,694,928.72	
Ancillary								
Dental	\$360,756		\$360,756		\$360,756		\$360,756	
Vision	\$47,830		\$47,830		\$47,830		\$47,830	
Life	\$73,880		\$73,880		\$73,880		\$73,880	
Total Ancillary	\$482,466		\$482,466		\$482,466		\$482,466	
Total All Lines	\$6,566,283.54		\$7,553,362.40		\$7,350,758.00		\$7,177,394.72	
					Savings over Initial Renewal		Savings over Initial Renewal	
					\$202,604.40		\$375,967.68	



Renewal Decisions

Decisions

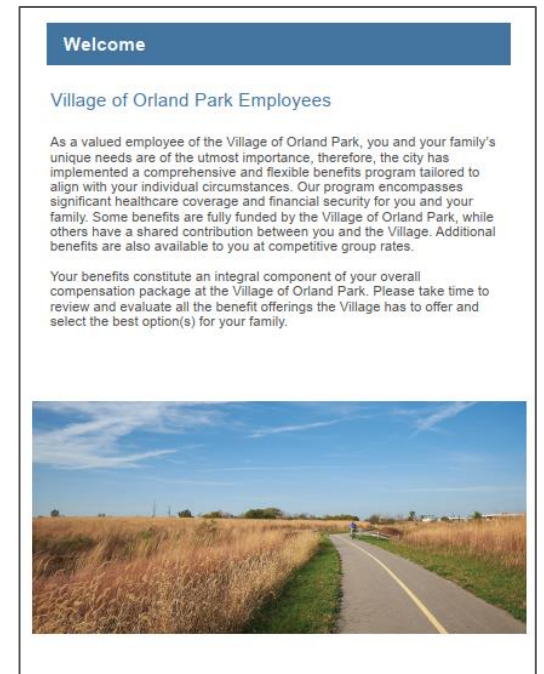
- Life/Voluntary Life/Disability – renew with Dearborn
 - No change in rates or plan design
 - 3- year rate guarantee
- Vision – renew EyeMed
- Dental – renew with BCBS
- Medical:
 - Remaining Stand Alone:
 - Consider \$125K ISL
 - Considerations if Moving into Cooperative
 - Reserve & Stop Loss
 - How is reserve handled? Combined with other locations or retain autonomy?
 - How are funding shortfalls handled?
 - How are claims paid for incurred but not reported until after contract termination?
 - Is there run out protection for claims incurred prior to contract termination that are over ISL?



Open Enrollment Timeline

Open Enrollment Support

- *September*: Open enrollment meeting strategy development, coordination, and delivery
 - In-person meetings, live webinars, pre-recorded
- *October*: Customized Open Enrollment Materials
 - Flyers and posters
 - Benefit Summaries and Enrollment Forms
 - Wallet cards
 - Postcards
- Benefit video clips
- Translation services and bilingual support available
- *October – November*: Open Enrollment



Sample, Custom Benefit Summaries

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