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MEMO

August 8, 2025

To: Dave Cook, IPBC Executive Director
From: Barb Dewey, FSA, MAAA
Jacob Sargent
Re: **Quote for Village of Orland Park**

Village of Orland Park has expressed interest in joining the IPBC for medical, life, dental, and vision benefits. IPBC asked Milliman to prepare a quote for Village of Orland Park to join IPBC's pool for these benefits from January 1, 2026 through December 31, 2026.

Village of Orland Park had 257 employees enrolled across four medical plans through BCBSIL as of May 2025: 68 in a traditional PPO plan, 2 in a Blue Choice Options plan, 91 in an HSA plan, and 96 in an HMO plan. Village of Orland Park would be a Tier 3 PPO member and a Tier 2 HMO member under IPBC and qualifies to stay with BCBSIL under its cooperative guidelines. The IPBC proposal includes no changes to plan design, network, or carrier for these plans. Note that the current HSA plan design remains compliant with IRS minimum deductible requirements in 2026.

Village of Orland Park currently offers basic life and AD&D benefits to its employees. IPBC proposes to offer the same benefits through Securian. The tables and exhibits include the basic benefits only, though supplemental life benefits are available through IPBC.

Village of Orland Park had 312 employees enrolled in dental benefits through BCBSIL as of May 2025. IPBC proposes continuing the current plan design through Delta Dental on an administrative services only (ASO) basis.

Village of Orland Park had 312 employees enrolled vision benefits through BCBSIL as of May 2025. The current plan offers a \$130 annual frame allowance and a \$10 annual exam copay among other benefits. IPBC proposes a similar fully insured vision benefit through VSP. We also want to note that the rates are in a multi-year rate lock.

The IPBC proposed rate changes for calendar year 2026 over the current 2025 rates are summarized below.

PRODUCT	RATE CHANGE OVER CURRENT RATES
PPO	9.0%
HMO	3.1%
Subtotal Medical	7.1%
Life and AD&D	-40.2%
Dental	4.9%
Vision	-8.4%
Total	6.5%

EXHIBITS

The following exhibits are included as attachments to this memo.

- Exhibit 1 - Current Premiums and Proposed IPBC Funding Rates
- Exhibit 2a - Detailed Calculation Underlying Proposed IPBC Funding Rates (PPO)
- Exhibit 2b - Detailed Calculation Underlying Proposed IPBC Funding Rates (HMO)
- Exhibit 3a - IPBC Banded Layer Analysis – PPO
- Exhibit 3b - IPBC Banded Layer Analysis – HMO
- Exhibit 4 - Detailed Calculation Underlying Proposed IPBC Funding Rates (ASO Dental)

The remainder of this memo discusses the data sources and methodologies that were applied in preparing this quote.

DATA SOURCES AND METHODOLOGY

TYPE OF DATA	FILENAME
Funding rates or premiums	2025 Insurance Rates.pdf
	VOP - Rate Tier's & Enrollments Per Product.pdf (assumed MetLife renewal offer for life and AD&D rates)
Enrollment	VOP Census Data 5.2025.xlsx
	VOP - Rate Tier's & Enrollments Per Product.pdf
Current plan designs	Village of Orland Park 2025 HMO SBC.pdf
	Village of Orland Park 2025 HSA SBC.pdf
	Village of Orland Park 2025 PPO SBC.pdf
	Village of Orland Park 2025 BCO SBC.pdf
	2025.01 BCBSIL Vision Benefit Summary (BVIS).pdf
	2025 Dental SPD.pdf
Experience data	#2191522 VILLAGE OF ORLAND PARK 0000011 - BI Report.pdf
	#2200147 VILLAGE OF ORLAND PAR 062025.pdf
	#2191519 VILLAGE OF ORLAND PARK 0000011 - BI Report.pdf
	Village of Orland Park Paid Dental Claims 6.23-5.25_6.27.25kk2.xlsx
	#2200641 VILLAGE OF ORLAND PAR 062025.pdf

Exhibit 1 shows a summary of the current funding rates and proposed IPBC funding rates by plan design and dependent tier for each benefit.

Exhibit 2a shows the development of the IPBC medical PPO funding rates for Village of Orland Park. The following table explains what considerations are applied to the calculations at each pooling layer:

LAYER	POOLING APPROACH	DATA USED TO CALCULATE EXPECTED CLAIMS IN LAYER
Claims costs under \$50,000	Claims in this layer are based on member-specific experience for members with more than 50 employees.	Village of Orland Park claims experience, trended.
Claims costs between \$50,000 and \$150,000	Claims in this layer are constrained to be within +/- 10.0% of claims across other members with between 151 and 300 employees. We have expanded this factor cap to +/- 120% in consideration of two years of high claims experience in this layer compared to other IPBC members.	Village of Orland Park claims experience, trended.

LAYER	POOLING APPROACH	DATA USED TO CALCULATE EXPECTED CLAIMS IN LAYER
Claims costs between \$150,000 and individual stop loss (ISL)	Claims in this layer are constrained to be within +/- 10.0% of claims across other members with between 151 and 300 employees. We have expanded this factor cap to +/- 120% in consideration of two years of high claims experience in this layer compared to other IPBC members	Village of Orland Park claims experience, trended.
Claims over ISL	Pooled across all IPBC members without adjustment	N/A

Exhibit 2b shows the development of the IPBC medical HMO funding rates for Village of Orland Park. The following table explains what considerations are applied to the calculations at each pooling layer:

LAYER	POOLING APPROACH	DATA USED TO CALCULATE EXPECTED CLAIMS IN LAYER
Claims costs under \$50,000	Claims in this layer are based on member-specific experience for members with more than 50 employees.	Village of Orland Park claims experience, trended.
Claims costs between \$50,000 and \$150,000	Claims in this layer are constrained to be within +/- 10.0% of claims across other members with between 51 and 150 employees. We have expanded this factor cap to +/- 500% in consideration of two years of high claims experience in this layer compared to other IPBC members.	Village of Orland Park claims experience, trended.
Claims costs between \$150,000 and individual stop loss (ISL)	Claims in this layer are constrained to be within +/- 10.0% of claims across other members with between 51 and 150 employees. We have expanded this factor cap to +/- 500% in consideration of two years of high claims experience in this layer compared to other IPBC members.	Village of Orland Park claims experience, trended.
Claims over ISL	Pooled across all IPBC members without adjustment	N/A

In Exhibits 3a and 3b, we show the exposure under three different scenarios for Village of Orland Park's claims costs PEPM at each layer: 1) best estimate using the projected experience from Exhibit 2, 2) the scenario where their claims are twice the average IPBC claims for the members pooled at that layer, and 3) the scenario where their claims are half the average IPBC claims for the members pooled at that layer. We also show the impact on existing IPBC members with 0% factor caps and the factor caps described in the table above.

For both the PPO and HMO, Village of Orland Park is expected to have no impact on other IPBC members after the application of the expanded factor caps described in the table above. Note that for 0% factor caps, the impact on other IPBC members in each layer often exceeds \$3.00 PEPM. This illustrates the risk to other IPBC members if claims are pooled on a PEPM basis without adjustment.

Exhibit 4 shows the development of the IPBC ASO Dental PPO funding rates for Village of Orland Park. We used Village of Orland Park's dental claims experience and IPBC trends to project claims costs. We also added the contracted administrative fees as reflected in IPBC's recent renewal.

LIMITATIONS

Milliman's work is prepared solely for the internal business use of the IPBC for the purposes of evaluating prospective members and communicating the projected financial impact (both on IPBC and the prospect) of bringing the prospect into the IPBC pools. Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third-party recipient of its work product, even if Milliman consents to the release of its work product to such third party.

Milliman has developed certain models to estimate the values included in this memo. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models rely on data and information as input to the models. We have relied upon certain data and information provided by IPBC and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete. The models, including all input, calculations, and output may not be appropriate for any other purpose.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this memo are members of the American Academy of Actuaries and meet the qualification standards for performing the analyses in this memo.

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Orland Park
Exhibit 1 - Current Premiums and Proposed IPBC Funding Rates

			Current 1/1/2025 to 12/31/2025		IPBC - Current Plan Designs 1/1/2026 to 12/31/2026	
PPO Plans	Rate Tier	Enrollment	Current Monthly Premium	Monthly Premium @ Current Rates	IPBC Monthly Funding Rates	Monthly Funding @ IPBC Rates
Current: Silver PPO	EE	30	\$1,165.53	\$34,966	\$1,270.81	\$38,124
Proposed: No Change	ES	13	\$2,230.78	\$29,000	\$2,432.28	\$31,620
	EC	1	\$2,140.03	\$2,140	\$2,333.34	\$2,333
	FAM	24	\$3,243.89	\$77,853	\$3,536.91	\$84,886
Current: Blue Choice Options	EE	2	\$1,072.28	\$2,145	\$1,169.14	\$2,338
Proposed: No Change	ES	0	\$2,052.32	\$0	\$2,237.70	\$0
	EC	0	\$1,968.83	\$0	\$2,146.67	\$0
	FAM	0	\$2,984.38	\$0	\$3,253.95	\$0
Current: HDHP w/ HSA	EE	29	\$996.37	\$28,895	\$1,086.37	\$31,505
Proposed: No Change	ES	10	\$2,032.19	\$20,322	\$2,215.75	\$22,158
	EC	12	\$1,943.91	\$23,327	\$2,119.50	\$25,434
	FAM	40	\$3,017.21	\$120,688	\$3,289.75	\$131,590
HMO Plans	Rate Tier	Enrollment	Current Monthly Premium	Monthly Premium @ Current Rates	IPBC Monthly Funding Rates	Monthly Funding @ IPBC Rates
Current: Blue Advantage HMO	EE	44	\$884.58	\$38,922	\$911.90	\$40,124
Proposed: No Change	ES	8	\$1,749.45	\$13,996	\$1,803.49	\$14,428
	EC	9	\$1,678.89	\$15,110	\$1,730.75	\$15,577
	FAM	35	\$2,597.55	\$90,914	\$2,677.79	\$93,722
Life and AD&D		Volume in Thousands	Current Monthly Premium per \$1,000	Monthly Premium @ Current Rates	IPBC Monthly Funding Rate per \$1,000	Monthly Funding @ IPBC Rates
Current: Group Life		\$40,323.2	\$0.097	\$3,911	\$0.053	\$2,137
Proposed: No Change						
Current: Group AD&D		\$40,323.2	\$0.020	\$806	\$0.017	\$685
Proposed: No Change						
Dental Plan	Rate Tier	Enrollment	Current Monthly Premium	Monthly Premium @ Current Rates	IPBC Monthly Funding Rates	Monthly Funding @ IPBC Rates
Current: \$1,500 ann max, \$1,200 ortho max	EE	115	\$38.82	\$4,464	\$40.73	\$4,683
Proposed: ASO Dental (no change in plan design)	ES	62	\$77.64	\$4,814	\$81.45	\$5,050
	EC	21	\$96.12	\$2,019	\$100.84	\$2,118
	FAM	114	\$134.94	\$15,383	\$141.56	\$16,138
Vision Plan	Rate Tier	Enrollment	Current Monthly Premium	Monthly Premium @ Current Rates	IPBC Monthly Funding Rates	Monthly Funding @ IPBC Rates
Current: \$130 frames each year, \$10 exam	EE	116	\$6.47	\$751	\$5.47	\$635
Proposed: \$130 frames ea. 12 mo., \$10 exam	ES	56	\$12.29	\$688	\$10.66	\$597
	EC	19	\$12.93	\$246	\$11.39	\$216
	FAM	121	\$19.02	\$2,301	\$18.21	\$2,203
Benefit	Enrollment	Current Monthly Premium	Current Annual Premium	IPBC Monthly Funding Rates	IPBC Annual Funding Rates	% Change
PPO	161	\$339,336	\$4,072,031	\$369,988	\$4,439,852	9.0%
HMO	96	\$158,941	\$1,907,297	\$163,851	\$1,966,211	3.1%
Subtotal Medical	257	\$498,277	\$5,979,328	\$533,839	\$6,406,063	7.1%
Life and AD&D *	\$40,323	\$4,718	\$56,614	\$2,823	\$33,872	-40.2%
Dental	312	\$26,680	\$320,156	\$27,989	\$335,874	4.9%
Vision	312	\$3,986	\$47,830	\$3,651	\$43,816	-8.4%
Total		\$533,661	\$6,403,928	\$568,302	\$6,819,624	6.5%

* Life and AD&D enrollment is volume in thousands.

Notes:

Village of Orland Park currently offers a PPO, a BCO, an HDHP, and an HMO through BCBSIL. IPBC proposes no change in plan design, network, or carrier for these plans.

Village of Orland Park currently offers dental benefits through BCBSIL. IPBC proposes to continue the same plan designs on an ASO basis through Delta Dental.

Village of Orland Park currently offers fully insured vision benefits through BCBSIL. IPBC proposes a similar plan design on a fully insured basis through VSP.

Village of Orland Park currently offers life and AD&D benefits. IPBC proposes to continue the same plan design through Securian.

Documentation about source files used for current plans and premiums can be found in the accompanying memo.

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Orland Park
Exhibit 2a - Detailed Calculation Underlying Proposed IPBC Funding Rates (PPO)

	Jun-23 to May-24	Jun-24 to May-25	Total	Notes
Total paid claims	\$3,823,550	\$4,155,813		
Claims over \$2,000,000 stoploss level	\$0	\$0		
Net paid claims	\$3,823,550	\$4,155,813		
Claims under \$50,000	\$2,725,714	\$2,624,990		
Claims \$50,000 to \$150,000	\$857,463	\$1,167,207		
Claims \$150,000 to \$2,000,000	\$240,373	\$363,616		
Adjusted claims under \$50,000	\$2,725,714	\$2,624,990		
Adjusted claims \$50,000 to \$150,000	\$857,463	\$1,167,207		
Adjusted claims \$150,000 to \$2,000,000	\$240,373	\$363,616		
Total adjusted claims	\$3,823,550	\$4,155,813		
Experience period employee months	1,966	1,969		
PEPM adjusted claims under \$50,000	\$1,386.55	\$1,333.16		
PEPM adjusted claims \$50,000 to \$150,000	\$436.19	\$592.79		
PEPM adjusted claims \$150,000 to \$2,000,000	\$122.28	\$184.67		
Annual trend to CY 2024	5.8%	5.8%		
Trend months	7.0	0		
Annual trend after CY 2024	7.4%	7.4%		
Trend months	25.0	20.0		
Trend factor	1.198	1.126		
Claim adjustment	0.0%	0.0%		
Dependent ratio adjustment	0.0%	0.0%		
Period weighting	25%	75%		
Trended PEPM claims under \$50,000	\$1,546.51	\$1,434.02	\$1,462.14	
Trended PEPM claims \$50,000 to \$150,000	\$588.78	\$669.01	\$648.95	
Trended PEPM claims \$150,000 to \$2,000,000	\$195.65	\$273.67	\$254.16	
IPBC average claims \$50,000 to \$150,000			\$313.55	Based on IPBC claims data through 4/30/2025.
IPBC average claims \$150,000 to \$2,000,000			\$197.22	Based on IPBC claims data through 4/30/2025.
Prospect claims \$50,000 to \$150,000, with Tier 3 factor cap			\$648.95	Expanded factor cap of 120.0% used to account for plan design and two years of high claims experience in the layers above \$50,000.
Prospect claims \$150,000 to \$2,000,000, with Tier 3 factor cap			\$254.16	
Adjustment for PBM contract improvement			-\$30.00	
Estimated pharmacy rebates			-\$140.00	SaveOnSp savings are included with estimated pharmacy rebates.
Total projected PEPM claims with factor caps			\$2,195.26	
BCBS PPO admin fee			\$43.64	Assume 4.0% increase on 7/1/2026.
BCBSIL Health Advocacy Solutions fee			\$17.50	
Stop loss			\$6.07	Blend of BCBS and UHC stoploss premiums; assume 15% increase on 7/1/2026.
Wellness			\$11.74	Assume a 4.0% increase on 7/1/2026.
IPBC			\$23.85	Assume a 4.0% increase on 7/1/2026.
Total non-benefit expenses			\$102.80	
Total PEPM monthly cost			\$2,298.06	
Total projected monthly cost			\$369,988	
Total projected annual cost			\$4,439,852	
Current monthly premiums for prospect			\$339,336	
Change over current rates for prospect			9.0%	

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Orland Park
Exhibit 2b - Detailed Calculation Underlying Proposed IPBC Funding Rates (HMO)

	Jun-23 to May-24	Jun-24 to May-25	Total	Notes
Total paid claims	\$1,100,401	\$1,416,291		
Claims over \$500,000 stoploss level	\$0	\$0		
Net paid claims	\$1,100,401	\$1,416,291		
Claims under \$50,000	\$737,182	\$758,946		
Claims \$50,000 to \$150,000	\$252,628	\$297,289		
Claims \$150,000 to \$500,000	\$110,591	\$360,056		
Adjusted claims under \$50,000	\$737,182	\$758,946		
Adjusted claims \$50,000 to \$150,000	\$252,628	\$297,289		
Adjusted claims \$150,000 to \$500,000	\$110,591	\$360,056		
Total adjusted claims	\$1,100,401	\$1,416,291		
Experience period employee months	1,156	1,118		
PEPM adjusted claims under \$50,000	\$637.50	\$678.84		
PEPM adjusted claims \$50,000 to \$150,000	\$218.47	\$265.91		
PEPM adjusted claims \$150,000 to \$500,000	\$95.64	\$322.05		
Annual trend to CY 2024	5.8%	5.8%		
Trend months	7.0	0.0		
Annual trend after CY 2024	6.6%	6.6%		
Trend months	25.0	20.0		
Trend factor	1.180	1.112		
Claim adjustment	0.0%	0.0%		
Dependent ratio adjustment	0.0%	0.0%		
Period weighting	25%	75%		
Trended PEPM claims under \$50,000	\$713.17	\$724.78	\$721.88	Limited claims data received. This is a proxy based on expected claims costs from the Milliman Health Cost Guidelines.
Trended PEPM claims \$50,000 to \$150,000	\$249.94	\$295.66	\$284.23	
Trended PEPM claims \$150,000 to \$500,000	\$159.41	\$388.10	\$330.93	
IPBC average claims \$50,000 to \$150,000			\$186.47	Based on IPBC claims data through 4/30/2025.
IPBC average claims \$150,000 to \$1,000,000			\$70.41	Based on IPBC claims data through 4/30/2025.
Prospect claims \$50,000 to \$150,000, with Tier 2 factor cap			\$284.23	Expanded factor cap of 500.0% used to account for plan design and two years of high claims experience in the layers above \$50,000.
Prospect claims \$150,000 to \$500,000, with Tier 2 factor cap			\$330.93	
Adjustment for PBM contract improvement			-\$30.00	
Estimated pharmacy rebates			-\$140.00	SaveOnSp savings are included with estimated pharmacy rebates.
Total projected PEPM claims with factor caps			\$1,167.04	
Professional Services Fee			\$419.06	Assume 5.0% increase on 7/1/2026.
BCBS HMO administration fee			\$48.13	Assume 4.0% increase on 7/1/2026.
BCBSIL Managed Care Fee			\$10.91	Assume 6.0% increase on 7/1/2026.
Stop loss			\$26.05	BCBS HMO premiums; assume 15% increase on 7/1/2026.
Wellness			\$11.74	Assume a 4.0% increase on 7/1/2026.
IPBC administration fee			\$23.85	Assume a 4.0% increase on 7/1/2026.
Total non-benefit expenses			\$120.69	
Total PEPM monthly cost			\$1,706.78	
Total projected monthly cost			\$163,851	
Total projected annual cost			\$1,966,211	
Current monthly premiums for prospect			\$158,941	
Change over current for prospect			3.1%	

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Orland Park
Exhibit 3a - IPBC Banded Layer Analysis - PPO
Impact of Adding New Member to IPBC

Tier 3 Factor 1 Analysis

Claims under \$50,000 are based on member specific experience in Tier 3.

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
Claims under \$50,000 are based on member specific experience in Tier 3.			

Tier 3 Factor 2 Analysis

Claims between \$50,000 and \$150,000 are shared on a PEPM basis across all IPBC members.

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
Projected Tier 3 Factor 2 Banded Layer without Village of Orland Park	\$310.39	\$310.39	\$310.39
Projected Village of Orland Park Banded Layer	\$648.95	\$620.78	\$155.19
Projected Tier 3 Factor 2 Banded Layer with Village of Orland Park	\$313.55	\$313.29	\$308.94
Estimated Impact to Current Tier 3 Members' Banded Layer (PEPM) with 0% factor cap	\$3.16	\$2.90	-\$1.45
Estimated Impact to Current Tier 3 Members' Banded Layer (PEPM) with 120.0% factor cap	\$0.00		

IPBC Factor 3 Analysis

Claims between \$150,000 and \$2,000,000 are shared on a PEPM basis across all IPBC members.

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
Projected Factor 3 Banded Layer without Village of Orland Park	\$196.69	\$196.69	\$196.69
Projected Village of Orland Park Banded Layer	\$254.16	\$393.37	\$98.34
Projected Factor 3 Banded Layer with Village of Orland Park	\$197.22	\$198.52	\$195.77
Estimated Impact to Current Members' Banded Layer (PEPM) with 0% factor cap	\$0.54	\$1.84	-\$0.92
Estimated Impact to Current Members' Banded Layer (PEPM) with 120.0% factor cap	\$0.00		

Notes:

Village of Orland Park has 161 PPO enrollees and so would be categorized as a Tier 3 IPBC member.

Claim Bucket 1 (< \$50k)	Factor 1 (Tier)
Claim Bucket 2 (\$50-150k)	Factor 2 (IPBC)
Claim Bucket 3 (\$150k-ISL)	Factor 3 (IPBC)

The expected banded layer claims for the entity were estimated using the Milliman's Health Cost Guidelines model of claims costs calibrated using the geographic and age/gender mix of the prospect as well as current premiums. Projections were made using the same trends as in Milliman's final renewal for 2026.

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Orland Park
Exhibit 3b - IPBC Banded Layer Analysis - HMO
Impact of Adding New Member to IPBC

Tier 2 Factor 1 Analysis

Claims under \$50,000 are based on member specific experience in Tier 2.

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
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IPBC Factor 2 Analysis

Claims between \$50,000 and \$150,000 are shared on a PEPM basis across all IPBC members.

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
Projected Tier 2 Factor 2 Banded Layer without Village of Orland Park	\$182.35	\$182.35	\$182.35
Projected Village of Orland Park Banded Layer	\$284.23	\$364.69	\$91.17
Projected Tier 2 Factor 2 Banded Layer with Village of Orland Park	\$186.47	\$189.74	\$178.65
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 0% factor cap	\$4.13	\$7.39	-\$3.69
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 500.0% factor cap	\$0.00		

IPBC Factor 3 Analysis

Claims between \$150,000 and \$500,000 are shared on a PEPM basis across all IPBC members.

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
Projected Tier 2 Factor 3 Banded Layer without Village of Orland Park	\$66.18	\$66.18	\$66.18
Projected Village of Orland Park Banded Layer	\$330.93	\$132.37	\$33.09
Projected Tier 2 Factor 3 Banded Layer with Village of Orland Park	\$70.41	\$67.24	\$65.66
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 0% factor cap	\$4.23	\$1.06	-\$0.53
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 500.0% factor cap	\$0.00		

Notes:

Village of Orland Park has 96 HMO enrollees and so would be categorized as a Tier 2 IPBC member.

Claim Bucket 1 (< \$50k)	Factor 1 (Tier)
Claim Bucket 2 (\$50-150k)	Factor 2 (IPBC)
Claim Bucket 3 (\$150k-ISL)	Factor 3 (IPBC)

The expected banded layer claims for the entity were estimated using the Milliman's Health Cost Guidelines model of claims costs calibrated using the geographic mix of the prospect as well as current premiums. Projections were made using the same trends as in Milliman's final renewal for 2026.

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Orland Park
Exhibit 4 - Detailed Calculation Underlying Proposed IPBC Funding Rates (ASO Dental)

	Jun-23 - May-24	Jun-24 - May-25	Total	Notes
Total paid claims	\$315,027	\$305,847		
In-Network Claims	N/A	N/A		No network information provided
Out-of-Network Claims	N/A	N/A		
Experience employee months	3,764	3,733		
Total claims PEPM	\$83.69	\$81.93		
Assumed Delta Dental network penetration	N/A	N/A		Rate development based on raw claims costs with no additional network savings.
Discounted claims PEPM	\$83.69	\$81.93		
Annual trend to CY 2024	1.9%	1.9%		
Trend months	7	0		
Annual trend after CY 2024	2.5%	2.5%		
Trend months	24	19		
Trend factor	1.062	1.040		
Period weighting	50%	50%		
Trended and discounted claims PEPM	\$88.90	\$85.20		
Total projected PEPM claims			\$87.05	
Dental ASO fees PEPM			\$2.66	Rate lock to 7/1/2027. Assume 2.0% increase on 7/1/2027.
Total PEPM monthly cost			\$89.71	
Total projected monthly cost			\$27,989	
Total projected annual cost			\$335,874	
Current monthly premiums for prospect			\$26,680	
Change over current for prospect			4.9%	