



# UNITED TOWNSHIP

## HIGH SCHOOL DISTRICT 30

To: Board of Education  
From: Janice Roome, Comptroller  
Date: April 13, 2026  
CC: Dr. Jay Morrow  
RE: Health Insurance Mid-year Rate Increase

### Background Information

2026 is our 10th year of a self-funded insurance plan through Blue Cross/Blue Shield of Illinois. This plan has been beneficial to our employees and the Board of Education as premium increases had remained low for many years. The last several years our reserve fund has been significantly depleted, so larger increases have become necessary. Our increases have been as follows:

Year 2 and Year 3	No increase in premiums
Year 4	9.5% increase in premiums
Year 5	2.0% increase in premiums, with option to review in six months
Year 6	2.0% increase in premiums, with option to review in six months
Year 7	5.0% increase in premiums, with option to review in six months
Year 8	2.0% increase in premiums January 1, additional 5% increase July 1
Year 9	15.0% increase in premiums, with option to review in six months
Year 10 - 2026	5.0% increase in premiums, with option to review in six months

### Administrative Considerations

1. At the October 20, 2025 meeting, the board approved a 5% increase in premiums for 2026 based on our claims history, specific reinsurance coverage of \$90,000, and estimated claims data provided by Blue Cross/Blue Shield.
2. Our health insurance fund has shown a cumulative excess of expenditures over revenues of approximately \$83,000 through February 28. March claims are lower than both January and February. Our health care consultant has indicated that this is due to 10 large individual claims, one of which reached the stop loss limit in March. Our annualized expenses currently track with the annual estimates provided by Blue Cross/Blue Shield in October.

3. Under our fund reserve policy, we do an annual calculation of fund adequacy. If the reserve balance drops below the targeted four months' estimated expenditures, rates are to be increased by an amount needed to reach the target level within 12 months plus up to 2%. Due to the significant expenditures realized so far this year, the health insurance committee (joint administration and union representation) has determined that a mid-year increase is advisable to help avoid an even larger increase January 1, 2027.
  
4. Current and proposed rates are as follows:

	Current # In Plan	2026 Current Monthly Premium			2026 Proposed Monthly Premium effective July 1 (15% increase)		
		Employee	Board	Total	Employee	Board	Total
Single	66	180.87	758.54	939.41	209.05	871.27	1,080.32
Family	110	1,058.27	1,248.73	2,307.00	1,231.29	1,421.76	2,653.05

Options Considered

Without a mid-year adjustment in rates, the Health Insurance Fund balance is expected to continue to drop below the current cash balance causing the district to lend money to the fund and requiring an even more significant rate increase January 1, 2027. The health insurance committee is exploring other potential alternatives and new cost reduction strategies for the calendar year 2027 renewal. This rate increase is consistent with other districts and employers. ACA market rates have increased from 15% to 26% while various Quad City Health Plans have increased 12.5% to 26.9% in 2026.

Fund Source

Education, Operations & Maintenance, Transportation, and Tort Funds

Recommendation

We recommend that the Board of Education approve a 15% increase in health insurance premiums effective July 1, 2026.