

Executive Summary: Illinois Scholastic Cooperative Medical and Prescription Renewal

This summary introduces the self-funded medical and prescription (Rx) insurance renewal through the Illinois Scholastic Cooperative (ISC) for the upcoming plan year, effective September 1, 2026, through August 31, 2027. The total projected annual cost for the renewal is \$2,733,655. This represents a 14.2% annual increase over the current plan year's cost of \$2,394,007, resulting in a total projected budgetary adjustment of \$339,649.

Current Enrollment and Participant Profile

The renewal projections are structured around the district's current stable census of 151 total enrollees. The participant allocation across the four coverage tiers is as follows:

- Single (Employee Only): 124 enrollees
- Single + Spouse: 3 enrollees
- Single + Child(ren): 11 enrollees
- Single + Family: 13 enrollees

Monthly Premium Equivalent Rate Breakdown

Because the district operates a self-funded plan model through the cooperative, premium equivalents are established to budget for the projected funding requirements of claims, stop-loss coverage, and plan administration. The table below outlines the monthly tier-by-tier rate adjustments from the current fiscal cycle to the 2026–2027 cycle:

Plan Tier	Current Enrollment	2025–2026 Monthly Equivalent Rate	2026–2027 Monthly Equivalent Rate	Monthly Dollar Increase Per Tier
Single	124	\$1,054.65	\$1,204.28	\$149.63
Single + Spouse	3	\$2,166.62	\$2,474.01	\$307.39
Single + Child(ren)	11	\$2,041.66	\$2,331.32	\$289.66

Single + Family	13	\$3,058.91	\$3,492.89	\$433.98
Total Monthly Cost	151	\$199,501	\$227,805	\$28,304

Annualized Financial Projections

- Current Annual Cost Base: \$2,394,007
- Proposed Annual Cost Base: \$2,733,655
- Total Annual Expenditure Shift: A cost increase of \$339,649 (+14.2%).

Important Budgetary Note: The renewal premium equivalents displayed above are strictly for the medical and prescription drug program and do not include the current Health Reimbursement Arrangement (HRA) funding or reimbursement amounts.

Administrative and Market Context

The 14.2% rate adjustment is driven by broader macroeconomic pressures in public sector healthcare pooled frameworks and a three-year reserving strategy to restore the ISC’s terminal reserve to 15% as mandated by its bylaws. Multiple variables directly influence these final calculations, including healthcare cost inflation, regional shifting utilization patterns, stop-loss coverage, the presence of catastrophic high-dollar claims, and prescription drug costs.

This renewal analysis provided by Arthur J. Gallagher & Co. acts as a baseline operational blueprint for the cooperative's standard funding needs. It does not alter the underlying legal verbiage, limits, or parameters of the district's actual insurance coverage policies.

Conclusion

While a 14.2% increase demands careful budgetary allocation within the district's operational funds, renewing our self-funded platform through the Illinois Scholastic Cooperative continues to offer a protected, stable pool that minimizes the extreme volatility seen in the standalone commercial market.

Recommendation

The Administration recommends that the Board of Education consider the approval of the 2026–2027 ISC self-funded medical premium equivalents to ensure uninterrupted, comprehensive health and prescription coverage for our workforce.