



**Milliman**  
4370 La Jolla Village Drive  
Suite 700  
San Diego, CA 92122  
USA

milliman.com

## MEMO

August 22, 2025

To: Dave Cook, IPBC Executive Director  
From: Barb Dewey, FSA, MAAA  
Jacob Sargent, ASA, MAAA  
Susannah Gallup  
Re: **Quote for Village of Winnebago**

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

Village of Winnebago currently has 9 employees enrolled across its four medical PPO plan offerings through BCBS. Due to its size, Village of Winnebago would need to join IPBC under one of its standard UHC PPO plan designs. This quote proposes the UHC PPO \$1,500 deductible plan. A summary of the current plan designs and the proposed plan design is provided in the table below. Note that the IPBC proposed plan design is considerably richer than the current plan designs.

	Deductible		Maximum Out-of-Pocket		Inpatient Admit	Emergency Room	Office Visits		Other Coinsurance
	ind	fam	ind	fam			PCP	Specialist	
<b>Current Plan Designs</b>									
\$2,600 deductible PPO	\$2,600	\$5,200	\$5,250	\$10,500	\$200, 20%	\$400, 20%	\$40	\$70	20%
\$1,600 deductible PPO	\$1,600	\$3,200	\$6,500	\$13,000	\$200, 20%	\$400, 20%	\$45	\$70	20%
\$5,100 deductible PPO	\$5,100	\$15,300	\$9,200	\$18,400	\$250, 30%	\$500, 30%	\$50	\$75	30%
\$6,900 deductible PPO	\$6,900	\$13,800	\$6,900	\$13,800	0%	0%	0%	0%	0%
<b>IPBC Proposed Plan Design</b>									
PPO \$1,500	\$1,500	\$3,000	\$3,500	\$7,000	20%	\$250	\$35	\$75	20%

Village of Winnebago currently has 9 employees enrolled in dental benefits through Delta Dental. The current plan design has a \$1,000 annual maximum and no coverage for orthodontic services. IPBC proposes a similar fully insured plan design through Delta Dental with a \$1,000 annual maximum and no coverage for orthodontic services.

Village of Winnebago currently has 9 employees enrolled in vision benefits through Delta Dental. The current plan design has a \$130 frame allowance every 24 months and a \$10 annual exam copay among other benefits. IPBC proposes a plan design with a \$130 annual frame allowance and a \$10 annual exam copay on a fully insured basis through VSP.

Village of Winnebago currently provides basic life and AD&D benefits through The Standard. IPBC proposes to continue the same plan design through Securian.

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

PRODUCT	RATE CHANGE OVER CURRENT
PPO	11.0%
Dental	-7.9%
Vision	-34.1%
Life	-84.1%
<b>Total</b>	<b>8.8%</b>

## EXHIBITS

The following exhibits are included as attachments to this memo.

- Exhibit 1 - Current Premiums and Proposed IPBC Funding Rates
- Exhibit 2 - Detailed Calculation Underlying Proposed IPBC Funding Rates (PPO)
- Exhibit 3 - IPBC Banded Layer Analysis – PPO
- Exhibit 4 - Proposed Medical Funding Rates for UHC Standard PPO Plan Design Options

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
<b>Funding rates or premiums</b>	2025 Winnebago Benefit Spreadsheet for Quote IPBC .xlsx 5.1.2025 Life ADD STD Renewal Standard.docx
<b>Enrollment</b>	Census Template Village of Winnebago 2025.xlsx
<b>Current plan designs</b>	2025 Winnebago Benefit Spreadsheet for Quote IPBC .xlsx 5.1.2025 Life ADD STD Renewal Standard.docx
<b>Experience data</b>	Not available for Village of Winnebago

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

We used Milliman Intelliscript Curv to calculate a Curv score for the medical PPO. This tool compares an input census to a large claims database and develops risk scores (among other outputs) based on matches to pharmacy claims and medical diagnosis codes. The risk score (or Curv score) is lower than the average IPBC population. However, the level of certainty in the risk score is somewhat low, so no adjustment was made to projected claims costs, allowing the risk of the low certainty to offset the reduced risk indicated by the Curv score.

Exhibit 2 shows the development of the IPBC medical PPO funding rates for Village of Winnebago. 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
<b>Claims costs under \$50,000</b>	Claims in this layer are constrained to be within +/- 2.5% of claims across other IPBC members with 50 employees or fewer. We have expanded this factor cap to +/- 25% in consideration of family size differences between Village of Winnebago and other IPBC members.	Calibrated cost model using plan design, current premiums, age/gender distribution, and geography for Village of Winnebago

LAYER	POOLING APPROACH	DATA USED TO CALCULATE EXPECTED CLAIMS IN LAYER
<b>Claims costs between \$50,000 and \$150,000</b>	Claims in this layer are constrained to be within +/- 2.5% of claims across all IPBC members. We have expanded this factor cap to +/- 12.5% in consideration of family size differences between Village of Winnebago and other IPBC members.	Calibrated cost model using plan design, current premiums, age/gender distribution, and geography for Village of Winnebago
<b>Claims costs between \$150,000 and individual stop loss (ISL)</b>	Claims in this layer are constrained to be within +/- 2.5% of claims across all IPBC members. We have expanded this factor cap to +/- 12.5% in consideration of family size differences between Village of Winnebago and other IPBC members.	Calibrated cost model using plan design, current premiums, age/gender distribution, and geography for Village of Winnebago
<b>Claims over ISL</b>	Pooled across all IPBC members without adjustment	N/A

Exhibit 3 shows the potential exposure to existing IPBC members associated with adding Village of Winnebago to the IPBC. We show the exposure under three different scenarios for Village of Winnebago'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, Village of Winnebago is expected to have minimal impact (approximately \$0.00 PEPM) on other IPBC members across each layer after the application of the expanded factor caps described above.

## 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. Barb and Jacob 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 Winnebago**  
**Exhibit 1 - Current Premiums and Proposed IPBC Funding Rates**

			Current 1/1/2025 to 12/31/2025		IPBC - Proposed 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: \$2,600 deductible PPO	EE	1	\$877.64	\$878	\$980.88	\$981	
Proposed: UHC PPO \$1,500 Ded	ES	1	\$1,755.28	\$1,755	\$1,961.75	\$1,962	
	EC	0	\$1,623.63	\$0	\$1,814.62	\$0	
	FAM	3	\$2,501.27	\$7,504	\$2,795.49	\$8,386	
Current: \$1,600 deductible PPO	EE	2	\$871.67	\$1,743	\$980.88	\$1,962	
Proposed: UHC PPO \$1,500 Ded	ES	0	\$1,743.34	\$0	\$1,961.75	\$0	
	EC	0	\$1,612.59	\$0	\$1,814.62	\$0	
	FAM	0	\$2,484.26	\$0	\$2,795.49	\$0	
Current: \$5,100 deductible PPO	EE	2	\$927.70	\$1,855	\$980.88	\$1,962	
Proposed: UHC PPO \$1,500 Ded	ES	0	\$1,855.40	\$0	\$1,961.75	\$0	
	EC	0	\$1,716.25	\$0	\$1,814.62	\$0	
	FAM	0	\$2,643.95	\$0	\$2,795.49	\$0	
Current: \$6,900 deductible PPO	EE	0	\$861.41	\$0	\$980.88	\$0	
Proposed: UHC PPO \$1,500 Ded	ES	0	\$1,722.82	\$0	\$1,961.75	\$0	
	EC	0	\$1,593.61	\$0	\$1,814.62	\$0	
	FAM	0	\$2,455.02	\$0	\$2,795.49	\$0	
Dental Plan	Rate Tier	Enrollment	Current Monthly Premium	Monthly Premium @ Current Rates	IPBC Monthly Funding Rates	Monthly Funding @ IPBC Rates	
Current: \$1,000 Annual Max, No Ortho	EE	5	\$32.75	\$164	\$34.30	\$172	
Proposed: \$1,000 Annual Max, No Ortho	EE+1	1	\$65.51	\$66	\$68.61	\$69	
	FAM	3	\$94.83	\$284	\$77.72	\$233	
Vision Plan	Rate Tier	Enrollment	Current Monthly Premium	Monthly Premium @ Current Rates	IPBC Monthly Funding Rates	Monthly Funding @ IPBC Rates	
Current: \$130 frames ea. 24 mo., \$10 exam	EE	5	\$7.35	\$37	\$5.47	\$27	
Proposed: \$130 frames ea. 12 mo., \$10 exam	EE+1	2	\$14.33	\$29	\$10.66	\$21	
	FAM	2	\$21.48	\$43	\$11.39	\$23	
Life		Volume in Thousands	Current Premium Rate per \$1,000	Monthly Premium @ Current Rates	IPBC Monthly Funding Rates per \$1,000	Monthly Funding @ IPBC Rates	
Current: Basic Life		\$420	\$0.391	\$164	\$0.053	\$22	
Proposed: No Change							
Current: Basic AD&D		\$420	\$0.050	\$21	\$0.017	\$7	
Proposed: No Change							
Benefit	Enrollment *		Current Monthly Premium	Current Annual Premium	IPBC Monthly Funding Rates	IPBC Annual Funding Rates	Rate Change from Current
PPO	9		\$13,735	\$164,826	\$15,253	\$183,031	11.0%
Dental	9		\$514	\$6,165	\$473	\$5,679	-7.9%
Vision	9		\$108	\$1,300	\$71	\$857	-34.1%
Life	\$420		\$185	\$2,223	\$29	\$353	-84.1%
Total			\$14,543	\$174,514	\$15,827	\$189,921	8.8%

\* Life enrollment is volume in thousands.

Notes:

Village of Winnebago currently offers four PPO health plans through BCBSIL. IPBC proposes a single PPO plan design through UHC.

Village of Winnebago currently offers dental benefits through Delta Dental. IPBC proposes a similar fully insured plan design through Delta Dental.

Village of Winnebago currently offers vision benefits through Delta Dental. IPBC proposes a similar fully insured plan design through VSP.

Village of Winnebago currently offers life and AD&D benefits through The Standard. IPBC proposes to continue this plan design through Securian.

Documentation about source files and methodology can be found in the accompanying memo.

**Proposed IPBC Rates**  
**January 1, 2026 to December 31, 2026**  
**Village of Winnebago**

**Exhibit 2 - Detailed Calculation Underlying Proposed IPBC Funding Rates (PPO)**

	Total	Notes
Trended PEPM claims under \$50,000	\$1,099.47	No claims data received. This is a proxy based on expected
Trended PEPM claims \$50,000 to \$150,000	\$297.44	claims costs from the Milliman Health Cost Guidelines.
Trended PEPM claims \$150,000 to \$2,000,000	\$198.81	
Tier 1 IPBC average claims under \$50,000	\$1,285.04	Based on IPBC claims data through 4/30/2025.
IPBC average claims \$50,000 to \$150,000	\$321.71	Based on IPBC claims data through 4/30/2025.
IPBC average claims \$150,000 to \$2,000,000	\$203.86	Based on IPBC claims data through 4/30/2025.
Prospect claims under \$50,000, with Tier 1 factor cap	\$1,099.47	Expanded factor cap of 25.0% used to account for family size.
Prospect claims \$50,000 to \$150,000, with Tier 1 factor cap	\$297.44	Expanded factor cap of 12.5% used to account for family size.
Prospect claims \$150,000 to \$2,000,000, with Tier 1 factor cap	\$198.81	Expanded factor cap of 12.5% used to account for family size.
Total projected PEPM claims with factor caps	\$1,595.72	
UHC PPO administration fee	\$57.35	Assume 4.0% increase on 7/1/2026.
BCBSIL Health Advocacy Solutions fee	\$0.00	N/A, proposed carrier is UHC
Stop loss	\$6.07	Recent stop loss RFP; assume 15% increase on 7/1/2026.
Wellness	\$11.74	Assume 4.0% increase on 7/1/2026.
IPBC administration fee	\$23.85	Assume 4.0% increase on 7/1/2026.
Total non-benefit expenses	\$99.01	
Total PEPM monthly cost	\$1,694.73	
Total projected monthly cost	\$15,253	
Total projected annual cost	\$183,031	
Current monthly plan premiums for prospect	\$13,735	
Change over current for prospect	11.0%	

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

**Tier 1 Factor 1 Analysis**

**Claims under \$50,000 are shared on a PEPM basis across all members in Tier 1.**

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
Projected Tier 1 Factor 1 Banded Layer without Village of Winnebago	\$1,285.04	\$1,285.04	\$1,285.04
Projected Village of Winnebago Banded Layer	\$1,099.47	\$2,570.08	\$642.52
Projected Tier 1 Factor 1 Banded Layer with Village of Winnebago	\$1,283.94	\$1,292.66	\$1,281.23
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 0% factor cap	-\$1.10	\$7.62	-\$3.81
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 25.0% factor cap	\$0.00		

**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 1 Factor 2 Banded Layer without Village of Winnebago	\$321.72	\$321.72	\$321.72
Projected Village of Winnebago Banded Layer	\$297.44	\$643.44	\$160.86
Projected Tier 1 Factor 2 Banded Layer with Village of Winnebago	\$321.71	\$321.89	\$321.63
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 0% factor cap	-\$0.01	\$0.17	-\$0.08
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 12.5% 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 Tier 1 Factor 3 Banded Layer without Village of Winnebago	\$203.87	\$203.87	\$203.87
Projected Village of Winnebago Banded Layer	\$198.81	\$407.73	\$101.93
Projected Tier 1 Factor 3 Banded Layer with Village of Winnebago	\$203.86	\$203.97	\$203.81
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 0% factor cap	\$0.00	\$0.11	-\$0.05
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 12.5% factor cap	\$0.00		

**Notes:**

Village of Winnebago has 9 PPO employees so we have quoted as a Tier 1 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 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 FY2026.

**Proposed IPBC Rates**  
**January 1, 2026 to December 31, 2026**  
**Village of Winnebago**

**Exhibit 4 - Proposed Medical Funding Rates for UHC Standard PPO Plan Design Options**

Rate Tier	Current - 1/1/2025 to 12/31/2025										IPBC - UHC Plan Options 1/1/2026 to 12/31/2026						
	\$2,600 ded. PPO		\$1,600 ded. PPO		\$5,100 ded. PPO		\$6,900 ded. PPO		Blended Total		PPO \$250 Ded	PPO \$500 Ded	PPO \$750 Ded	PPO \$1,000 Ded	PPO \$1,500 Ded	Navigate HMO	HSA \$3,400
EE	1	\$877.64	2	\$871.67	2	\$927.70	0	\$861.41	5	\$883.31	\$1,130.88	\$1,065.52	\$1,048.96	\$1,050.83	\$980.88	\$958.93	\$949.66
ES	1	\$1,755.28	0	\$1,743.34	0	\$1,855.40	0	\$1,722.82	1	\$1,766.62	\$2,261.75	\$2,131.04	\$2,097.92	\$2,101.65	\$1,961.75	\$1,917.86	\$1,899.33
EC	0	\$1,623.63	0	\$1,612.59	0	\$1,716.25	0	\$1,593.61	0	\$1,634.12	\$2,092.12	\$1,971.21	\$1,940.57	\$1,944.02	\$1,814.62	\$1,774.02	\$1,756.87
FAM	3	\$2,501.27	0	\$2,484.26	0	\$2,643.95	0	\$2,455.02	3	\$2,517.43	\$3,222.99	\$3,036.73	\$2,989.53	\$2,994.85	\$2,795.49	\$2,732.95	\$2,706.54
Total Monthly		<b>\$10,137</b>		<b>\$1,743</b>		<b>\$1,855</b>		<b>\$0</b>		<b>\$13,735</b>	<b>\$17,585</b>	<b>\$16,569</b>	<b>\$16,311</b>	<b>\$16,340</b>	<b>\$15,253</b>	<b>\$14,911</b>	<b>\$14,767</b>
Change Over Current											<b>28.0%</b>	<b>20.6%</b>	<b>18.8%</b>	<b>19.0%</b>	<b>11.0%</b>	<b>8.6%</b>	<b>7.5%</b>

Notes: UHC standard plans assume current \$2,600 ded. PPO plan Rx copay structure for all plans  
Total Monthly and Change Over Current assumes all current members move to that one plan