



Village of Downers Grove

Report for the Village Council Meeting

Table 1 - Council Agenda item.

Subject	Employee Benefits Renewal Contracts and Medical Plan Amendments for Fiscal Year 2027
Submitted By	Lauren Linares, Director of Human Resources

Synopsis

Resolutions have been prepared to authorize approval of employee benefits renewal contracts and plan amendments for Fiscal Year 2027 and to authorize staff to remit weekly funding for health claims and associated administrative fees.

Strategic Plan Alignment

The 2025-2027 goals include *Steward of Financial, Environmental, and Neighborhood Sustainability*.

Fiscal Impact

The proposed Fiscal Year 2027 health insurance budget includes \$2,299,270 for claims administration, stop-loss contracts, and wellness initiatives. The vendors and contract amounts for Fiscal Year 2026 and Fiscal Year 2027 are itemized below:

Vendor	Contract Item	Fiscal Year 2027 Amount	Fiscal Year 2026 Amount
Blue Cross Blue Shield	Medical Claim Administration	(\$229,377)	(\$391,812)
Blue Cross Blue Shield	Specific and Aggregate Stop Loss	\$1,353,647	\$1,125,737
Subtotal		\$1,124,270	\$733,925
Delta Dental	Dental Insurance Administration	\$23,500	\$22,141
Humana	Retiree Carve Out	\$260,831	\$247,601
Professional Benefit Administrators	COBRA & Flexible Spending	\$10,285	\$10,000
HealthJoy	Care Navigation Platform	\$38,037	\$38,037
Total		\$1,456,923	\$1,051,704

Recommendation

Approval on the October 20, 2026 Consent Agenda.

Background

The recommended contracts provide the administration and support needed for the Village's Health Insurance program, which has a total Fiscal Year 2027 proposed budget of \$14.5 million.

A summary of the 2027 employee benefits contracts is provided below:

Medical Claim Administration – The Village has a self-funded medical plan and contracts with an outside vendor to provide claim administration on behalf of the Village. Claim administration includes adjudication of medical and prescription drug claims, pre-certification, and medical case management services. Annually, staff reviews the claim administration services received from the vendor. Staff also reviews the vendor's relationship with Preferred Provider Organizations (PPOs) to ensure the discounts received through PPO contracts are cost-effective for both the Village and its employees. The Village has contracted with Blue Cross Blue Shield of Illinois for these services since 2011 and will renew the contract into Fiscal Year 2027. The Village health insurance plan is consumer-centric and allows employees to participate in an annual wellness screening initiative. Employee participation drives a one-time wellness credit to the Blue Cross plan. The 2027 medical claims administration is an annual credit of \$229,377, resulting from medical rebate credits. Please note that the Benefit Program Application (BPA) identifies a weekly fee schedule, a change from the current monthly cycle. As a self-funded plan, BCBSIL requires the Village to fund claims weekly at its 2027 renewal. The resolution authorizes Village staff to remit payment for all undisputed health claims and associated administrative fees on a weekly basis without prior Village Council approval. The expenditures will subsequently appear on claims ordinances for Village Council ratification.

Stop Loss Coverage – The Village purchases stop-loss coverage to limit its financial exposure. Stop loss coverage provides insurance for catastrophic medical claims of participants in the Village's group health care plan. Stop-loss coverage comes in two types: specific and aggregate. Specific stop-loss insurance provides a point at which the insurance company becomes responsible for any claims after an individual insured reaches a predetermined limit in the contract year. As part of the annual review, staff directs the Village's consultant, MarshMMA, to recommend the most appropriate point for specific stop-loss coverage. The consultant reviews specific claim data for the Village's group and determines whether it is cost-effective for the Village to take on additional claim exposure. For 2027, the consultant determined that the Village should maintain the current \$150,000 specific stop-loss level. However, negotiations resulted in a 20% increase due to plan exposure related to the number of high claimants and claim severity. There are no changes to the aggregate stop loss coverage.

Dental Insurance – The Village provides employees with a dental program administered by Delta Dental Plan of Illinois. Under this program, employees use PPO network providers, receive services at discounted rates, and have benefits paid in full. Employees can also use out-of-network providers; however, they receive less comprehensive coverage. All administrative services, customer service, claims processing, underwriting, billing, network recruiting and management, enrollment, sales, and account service are conducted locally from Naperville, IL. Fiscal Year 2027 fees to administer the Delta Dental program are \$23,500, an increase of \$1,359 from Fiscal Year 2026.

Retiree Carve Out – Village employees and their eligible spouses on the Village’s Health Insurance Plan become eligible for the retiree carve out when becoming Medicare eligible at age 65. In 2012, through its broker, the Village found a Humana supplement plan to offer to Medicare-eligible retirees, thereby transitioning this group from the Village’s self-insured plan. The Village funds the premiums and invoices the respective retirees. Employees who retired before the Village Ordinance change on September 9, 2009, receive a 50% premium credit. Humana’s Fiscal Year 2027 rates are adjusting due to rising healthcare costs, changes to federal Medicare, and the Part D redesign under the Inflation Reduction Act (IRA). The Fiscal Year 2027 premium increased 3.1% from Fiscal Year 2026.

COBRA & Flexible Spending – Professional Benefit Administrators (PBA) provides medical, transit, parking, and dependent flexible spending accounts for Village employees, and administers continuation of health coverage (COBRA) for separating employees and their families. In 2025, PBA deployed a COBRA upgrade that lets participants view benefit letters, elect coverage, and make online payments. The Village incurs a single annual COBRA fee for this service. However, flexible spending fees vary monthly, depending on the number of participants. For Fiscal Year 2027, the contracted fee amounts increased .15 per flexible spending account participant per month, with no changes to the COBRA administrative fee.

HealthJoy – The Village provides employees access to a healthcare navigation platform to support participants’ physical and mental well-being by highlighting better care already offered by the Village’s current plan design. Members can connect with benefits experts, clinical consultants, and billing experts. Additionally, Teladoc Health will provide virtual care services. The rate for Fiscal Year 2027 will continue at \$38,037.

Attachments

Resolutions

Contracts

Resolution No.

A Resolution Authorizing Execution of a Renewal Agreement Between the Village of Downers Grove and Delta Dental of Illinois

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Plan Renewal Application (the "Agreement"), between the Village of Downers Grove ("Village of Downers Grove") and Delta Dental of Illinois ("Provider") for the renewal of the employee dental insurance program effective January 1, 2027 through December 31, 2029, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.
2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.
3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.
4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.
5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

By: Mayor

Passed:

Published:

Attest:

By: Village Clerk



Delta Dental of Illinois

Dental Benefits Renewal



Smart plans for smart mouths.

Presented to

VILLAGE OF DOWNERS GROVE

DDIL #8338

Effective Date

January 1, 2027

Presented By

Kathy Nelson

Senior Account Manager

630-718-4774

knelson@deltadentalil.com

Delta Dental of Illinois
111 Shuman Boulevard
Naperville, Illinois 60563

deltadentalil.com

Your Delta Dental of Illinois Dental Plan Proposal

Delta Dental of Illinois is pleased to present its dental renewal for Delta Dental PPO Plus Premier/Delta Dental PPO and DeltaCare network services and administration to VILLAGE OF DOWNERS GROVE.

Delta Dental of Illinois' renewal includes:

- VILLAGE OF DOWNERS GROVE's current plan design(s) and proposed new plan design, if applicable.
- Claims/premium experience
- Renewal claim calculation
- Proposed renewal rates/fees. Please note: we require a signature and notification returned to confirm you agree to the proposed rates/fees. If we do not receive notification from you at least 30 days prior to your renewal date, we will assume you agree to the proposed rates/fees and renew.

One good plan deserves another. Groups can receive a discount of 2% on their dental plan rate by adding a qualifying DeltaVision®* group product to a Delta Dental of Illinois dental plan. DeltaVision is offered in association with EyeMed Vision Care networks. Our vision plans offer quality coverage, single-site administration, larger networks, more benefits and a better member experience. We can provide a DeltaVision quote upon your request.

Smart option for non-benefit eligible employees. Delta Dental of Illinois strives to help all of your employees as healthy as possible. Individuals with dental insurance go to the dentist more than those without to get the oral health care services they need. Consider our dental plans for Illinois individuals and families for your non-benefit eligible employees. Please see the enclosed brochure or visit deltadentalil.me for more details on our individual product offerings.

Delta Dental of Illinois and VILLAGE OF DOWNERS GROVE: A Smart Partnership

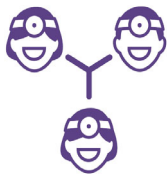
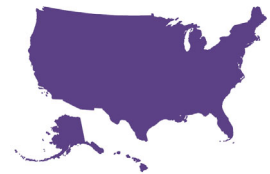


Since 1967, Delta Dental of Illinois has been providing dental benefits for Illinois-based groups and their members nationwide – while helping to control costs and improve access to dental care – as part of our overall commitment to improving the oral health of those we serve.

We are pleased to partner with you to offer:

Larger Networks and Better Access

Nearly 80 percent of dentists nationwide participate in our networks (75% of Illinois dentists participate). Our Delta Dental PPO network provides more savings, better discounts and higher network usage than other carriers. The Delta Dental PPO network delivers the industry's best effective discount – averaging 22.4 percent nationally. Nearly 85 percent of our members use in-network dentists, which means cost savings to our clients and members, as well as network protections. We manage and own our dental network, which helps ensure quality and recruitment goals are met.



Acting as a safety net, our Delta Dental Premier network works alongside our Delta Dental PPO network. The network combination of Delta Dental PPO Plus Premier offers members additional network protections, savings and choice for those who do not have access to or choose not to visit PPO dentists; however, members will save the most with Delta Dental PPO network dentists.

Local, Single-Site Client Service and Administration



We work hard to deliver exceptional service from our Naperville, Illinois based service center. All administrative services – customer service, claims processing, underwriting, billing, network recruiting and management, enrollment, sales and account service – are conducted from one location, making for proactive issue resolution and smooth client administration.

The benefits of single-site administration coupled with our knowledgeable team of account managers ensure a seamless implementation and hassle-free ongoing account managing and administration.

Experienced Account Management



Smart Resources



Our online member and group tools provide secure access for members and group administrators to view and manage plan information. We offer a comprehensive wellness program for groups which includes a variety of employee wellness materials, including a cost estimator, risk assessment tool and oral health information and tips. Plus, we offer comprehensive management reporting to help manage dental benefits and costs.

Delta Dental of Illinois' mission includes improving the oral health of the communities we serve. The Delta Dental of Illinois Foundation acts as the 501(c)3 charitable arm of Delta Dental of Illinois and works to improve oral health by providing oral health education and increasing access to dental care. Through its Land of Smiles program (offered free to Illinois elementary schools), Dentist by 1, and Community Grants and Wisdom Tooth Award Programs, the Foundation has helped advance oral health and impacted thousands.

We Care



Thank you for choosing Delta Dental of Illinois for your dental benefit needs. The Delta Dental of Illinois team truly values your business and hopes to provide your employees with dental benefits for many years to come. We are dedicated to providing your employees with the coverage they need to maintain good oral health, and we are committed to delivering excellent customer service and a hassle-free experience.

Sincerely,

Kathy Nelson
Senior Account Manager
630-718-4774
knelson@deltadentalil.com

* DeltaVision is provided by ProTec Insurance Company, a wholly-owned subsidiary of Delta Dental of Illinois, in association with EyeMed Vision Care networks.

VILLAGE OF DOWNERS GROVE Plan Design Summary

Annual Deductible Deductible applies to Basic and Major services	\$0/person (when using a Delta Dental PPO SM dentist). \$75/person; \$225/family (when using a Delta Dental Premier [®] or a non-network dentist).		
Annual Maximum	\$2000/ person (when using a Delta Dental PPO SM dentist). \$1500/ person (when using a Delta Dental Premier [®] dentist). \$750/ person (when using a non-network dentist).		
To GoSM Carryover Feature	Not Included		
Enhanced Benefits Program	Not Included		
Lifetime Orthodontic Maximum Dependent Children to Age 19 Adults are not eligible for coverage	\$3400/ person (when using a Delta Dental PPO SM dentist). \$1000/ person (when using a Delta Dental Premier [®] dentist). \$750/ person (when using a non-network dentist).		
	Delta Dental PPO Network Dentist*	Delta Dental Premier Network Dentist**	Non-Network Dentist***
PREVENTIVE/DIAGNOSTIC SERVICES	100%	100%	80%
BASIC RESTORATIVE SERVICES	100%	80%	80%
MAJOR RESTORATIVE SERVICES	100%	50%	50%
ORTHODONTICS (treatment for proper alignment of teeth) Dependent Children to Age 19 Adults are not eligible for coverage	100%	50%	50%

*Delta Dental PPO dentists accept payment based on the lesser of the submitted fee or the PPO fee schedule, which is established at a level that typically delivers a 15 – 40% discount off of average billed charges nationally.

**Delta Dental Premier dentists accept payment based on the lesser of the submitted fee or Delta Dental's maximum plan allowance (MPA), which is established at a level that typically delivers discounts of 25% - 30% off of average billed charges nationally.

***Non-network (non-Delta Dental PPO/non-Delta Dental Premier) dentist reimbursement is based on the lesser of the submitted fee or MPA.

Delta Dental PPO and Premier dentists cannot balance bill the enrollee for the difference between Delta Dental's allowed fee and the dentist's submitted charge.

Delta Dental of Illinois Proposed Self-Insured Plan Fees for VILLAGE OF DOWNERS GROVE Current Plan

Delta Dental PPO Plus Premier Proposed Renewal

	Current Fee (PEPM)	Proposed Fee (PEPM)	%Change
Admin Fee (01/01/2027)*	\$4.89	\$5.19	6.2%
Admin Fee (01/01/2028)*		\$5.40	4.0%
Admin Fee (01/01/2029)*		\$5.56	3.0%

Step Admin fee is guaranteed: 1/1/2027 through 12/31/2029

*Administrative fee includes \$0.00 pepm broker commissions.

Recommended Premium Equivalents

	Current Premium Equivalent	Recommended Premium Equivalent	%Change
Employee	\$42.35	\$37.05	-12.5%
Family	\$130.71	\$114.37	-12.5%

Underwriting Assumptions

1. Projections are based on 112 Single(s) and 265 Family(ies). If enrollment changes by more than 15%, we reserve the right to revise our ASO fee.

Projected Incurred Claims	\$389,989
Projected Annual Administrative Fee	\$23,500
Projected Total Annual Cost	\$413,489

2. This quote is based on administering benefits according to our standard benefit administration, policy provisions, and claim settlement practices. If the group requests administration that deviates from these standard practices, the fee may be adjusted to reflect non-standard customizations. Additionally, exceptional customization requests may incur a one-time fee.

Renewal Date: January 1, 2027

3. During the current experience period, VILLAGE OF DOWNERS GROVE averaged 377 enrollees.

Acceptance of Delta Dental of Illinois Plan Renewal

Please acknowledge your acceptance of these terms by signing below and returning this page to your Account Manager. You can fax or email a copy of this letter to:

Kathy Nelson
Senior Account Manager
630-718-4774
knelson@deltadentalil.com

Delta Dental of Illinois
111 Shuman Boulevard
Naperville, IL 60563

If we do not receive notification from you at least 30 days prior to your renewal date, we will assume you agree to the proposed rates.

DDIL # 8338

AGREED AND ACCEPTED -- Current Plan

Authorized Signature: _____

Date: _____

Printed Name: _____

9/24/2026
UW/SLD v.1