OKHEEI 2026 July Board Meeting

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July 22, 2026

Gallagher

Insurance | Risk Management | Consulting

Agenda

- Renewal Objectives
- HealthCare Trends
- Plan Performance Reporting
- Medical Plan Renewal
- 2027 Planning

Renewal Objective

Objective:

Provide a quality and valuable benefits program for recruitment and retention of OKHEEI employees that fits within budget.

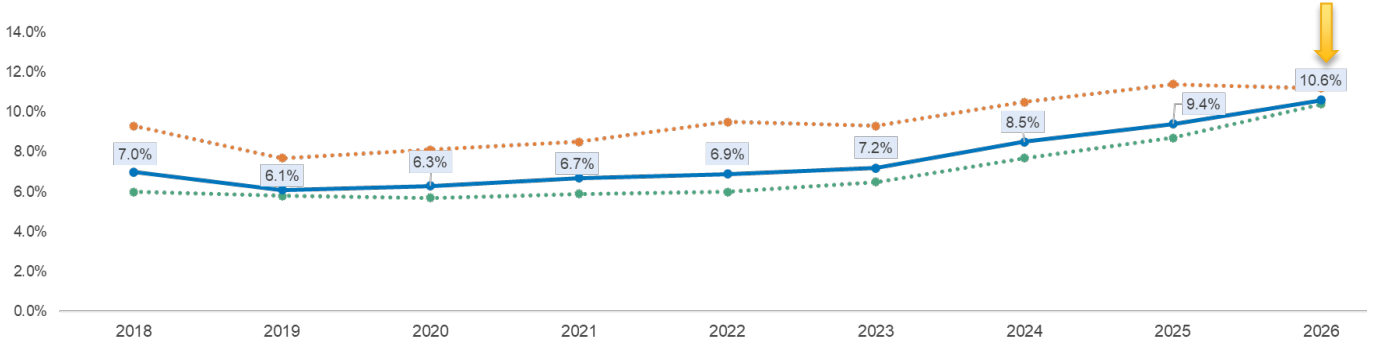
Maintain high level of benefits at minimum cost increase to members.

Challenges to Objective:

Rising trend, aging population, network contract negotiations, rise in large claimants (**cardiac, cancer, prescriptions**). Resulted in budget overruns.

Today's HealthCare Trends

Medical & Rx Industry Trend | Forecast History



Trend drivers:

Reset Baselines: Almost all provider – carrier contracts have been renegotiated following the post-COVID inflation spike

No Surprises Act Fallout: Providers are winning carriers disputes over OON reimbursements at an 80%+ rate, leading to high prices and longer medical lag

Multiple Rx Drivers: Expanded GLP-1 indications, Gene Therapy pipeline expansion, specialty drug rollouts and increased drug development costs

Regulatory Pressures: Expiration of enhanced ACA subsidies, tariffs on imported medical devices and tightening Medicare reimbursements

Trend mitigators:

Artificial Intelligence improving provider quality, fraud & waste reduction in billing and overall process improvement (long time horizon)

Medical management levers like tightening utilization management and payment integrity solutions, resulting in some success in managing total cost of care

Rx Biosimilars add competition to specialty drug market (Humira – 2023, Stelara – 2025, Keytruda – 2026+)

Increased employer adoption of solutions and tools to manage health plans in the short- and long-term

Challenge: Even stable claims won't offset cost inflation

Source: Historical Gallagher Actuarial Trends Forecasts (2016-2024); Gallagher's U.S. Healthcare Carrier Trend Survey (February 2025)
Source: PwC Medical cost trend: Behind the numbers 2026
Source: BGH 2026 Employer Health Care Strategy Survey

Plan Performance Reporting

Historical Plan Cost Summary

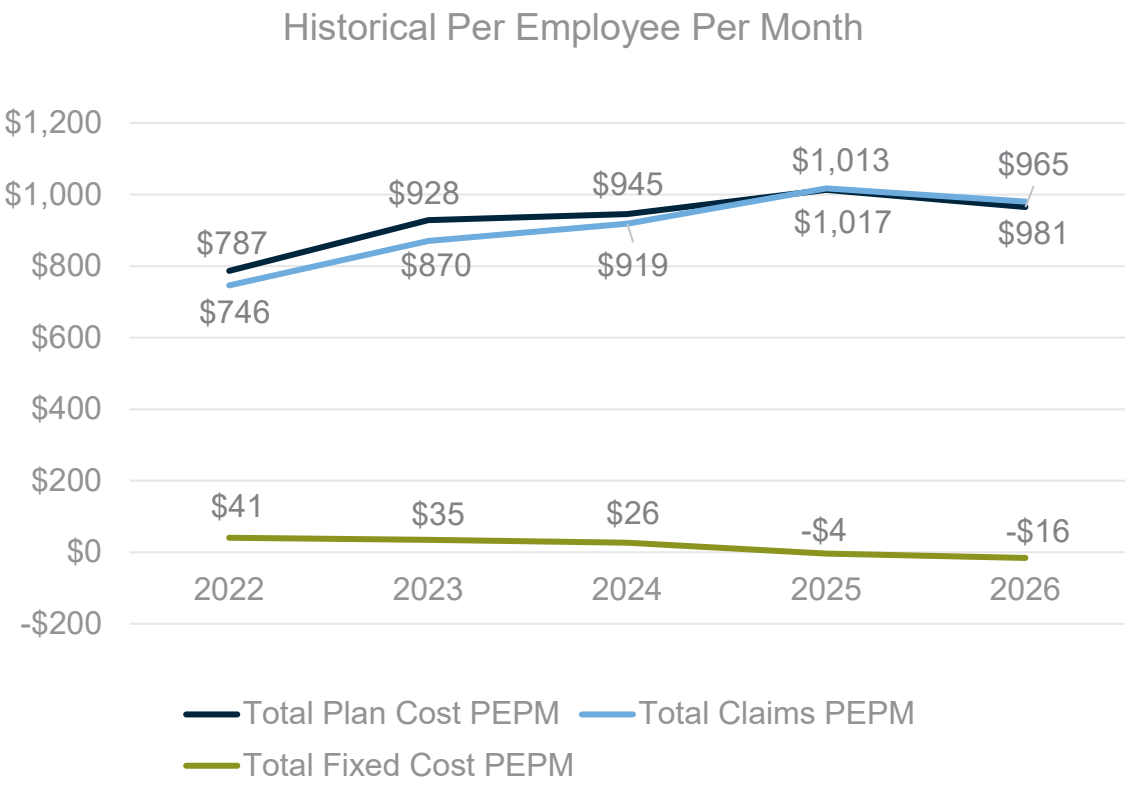
Month	2024	2025	2026
January	$2,651,862	$3,058,313	$3,106,080
February	$2,210,487	$2,648,866	$2,834,342
March	$3,108,191	$2,114,719	$3,186,262
April	$1,658,869	$2,796,411	$3,023,147
May	$2,191,666	$3,258,514	$2,581,507
June	$2,405,874	$3,056,060	
July	$3,211,351	$3,248,965	
August	$3,006,994	$3,455,324	
September	$2,784,221	$3,024,515	
October	$3,169,249	$3,391,030	
November	$3,273,793	$3,365,152	
December	$3,404,993	$3,159,101	
Net Claims	**$33,077,549**	**$36,576,970**	**$14,731,339**
Average Monthly Enrollment	**3001**	**2997**	**3005**
Net Claims PEPM	**$918.67**	**$1,017.19**	**$980.59**
% Increase/Decrease from Prior	**5.55%**	**10.72%**	**-3.60%**
Admin Fees	**-$1,621,350**	**-$3,063,347**	**-$1,566,598**
Consulting Fees	**$144,000**	**$144,000**	**$60,000**
Stop Loss Fees	**$2,072,145**	**$2,309,647**	**$1,068,436**
Total Fixed Costs	**$594,795**	**-$609,701**	**-$438,163**
Total Fixed Costs PEPM	**$16.52**	**-$16.96**	**-$29.17**

Claims Cost is 3.6% under 2025 (Note: May 2026 had an $881k Rx Credit)

Fixed cost is 42% under 2025

Cost above does not include Empyrean or other administrative costs

Historical Analysis



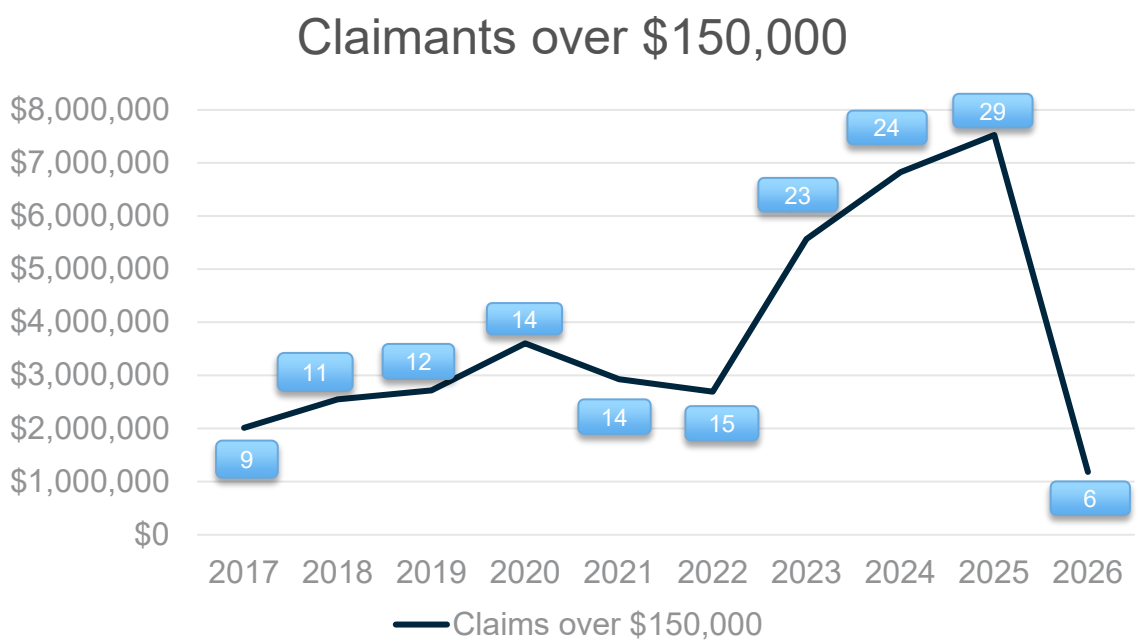
2026 Plan Cost Summary

Paid Month	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Year-to-Date Total	Year-to-Date PEPM
Enrollment							
Subscribers	3,005	3,018	3,010	2,998	2,992	15,023	
Members	4,111	4,137	4,127	4,108	4,104	20,587	
Contract Size	1.37	1.37	1.37	1.37	1.37	1.37	
Claim Payments							
Medical Claims	$1,535,224	$1,388,947	$1,481,322	$1,583,448	$1,515,607	$7,504,548	$499.54
Pharmacy Claims	$1,368,325	$1,170,872	$1,321,690	$1,191,813	$1,719,023	$6,771,724	$450.76
Rx Rebates	$0	$0	$0	$0	($881,338)	($881,338)	($58.67)
Access Fees	$1,575	$96	$126	$174	$595	$2,566	$0.17
Claims Over Specific	$0	$0	$0	$0	$0	$0	$0.00
Total Claim Payments	**$2,905,124**	**$2,559,915**	**$2,803,138**	**$2,775,435**	**$2,353,887**	**$13,397,499**	**$891.80**
Total Claim Payments PEPM	$966.76	$848.22	$931.28	$925.76	$786.73		
ZERO Card							
Claims	$200,956	$274,428	$383,124	$247,712	$227,620	$1,333,840	$88.79
Fee	$30,143	$41,164	$57,469	$37,157	$34,143	$200,076	$13.32
Total ZERO Card Cost	**$231,099**	**$315,592**	**$440,593**	**$284,868**	**$261,763**	**$1,533,915**	**$102.10**
Fixed Costs							
Administrative Fees	($313,361)	($314,717)	($313,883)	($312,631)	($312,006)	($1,566,598)	($104.28)
Consulting Fee	$12,000	$12,000	$12,000	$12,000	$12,000	$60,000	$3.99
Stop Loss Premiums	$213,716	$214,640	$214,071	$213,218	$212,791	$1,068,436	$71.12
Total Fixed Costs	**($87,646)**	**($88,077)**	**($87,812)**	**($87,414)**	**($87,215)**	**($438,163)**	**($29.17)**
Total Plan Cost	**$3,048,578**	**$2,787,429**	**$3,155,919**	**$2,972,890**	**$2,528,435**	**$14,493,252**	**$964.74**
Employee Contributions [1]	$406,036	$409,477	$406,215	$402,220	$402,907	$2,026,855	$134.92
Employer Cost	**$2,642,541**	**$2,377,952**	**$2,749,704**	**$2,570,670**	**$2,125,529**	**$12,466,396**	**$829.82**
Budget Comparison							
Budgeted Cost [1]	$2,978,620	$2,992,056	$2,981,670	$2,965,983	$2,961,694	$14,880,023	$990.48
Actual Cost	$3,048,578	$2,787,429	$3,155,919	$2,972,890	$2,528,435	$14,493,252	$964.74
Surplus/(Deficit)	**($69,958)**	**$204,627**	**($174,249)**	**($6,907)**	**$433,259**	**$386,772**	**$25.75**

- $881k in Gallagher/BCBS Rx Reconciliation in May
- Medical claims PEPM in 2025 was $564.66
- Pharmacy Claims PEPM in 2025 was $412.03.
- Zero Card cost PEPM in 2025 was $99.04
- *Budget does not include Empyrean or other administrative costs to OKHEEI. Also does not include assessment
- Medical pd claims in June was $1,550,349
- Rx pd claims in June was $1,341,152

Year over Year Large Claim Trend

2017 – 2026



Note: Blue boxes represent # of members that exceeded $150k in claims
2023 – Above members represent $5,567,852 in paid claims
2024 – Above members represent $6,829,824 in paid claims
2025 – Above members represent $7,527,347 in paid claims
2026 Jan-May – 6 claimants represent $1,183,337 in paid claims

Top 20 Large Claim Trend

Jan 2026 - May 2026

Encrypted Member ID	Relationship	Age/Gender Band	Leading Diagnostic Category	Inpatient Paid	Outpatient Paid	Professional Paid	Pharmacy Paid	Paid	Currently Enrolled
6365224621760298047	Subscriber	Male 40-49	Neoplasms	$45,493	$204,857	$6,071	$162	**$256,583**	Yes
1239563844408761600	Subscriber	Female 60-64	Neoplasms	$0	$249,614	$2,215	$71	**$251,900**	Yes
596167636673027255	Spouse	Male 40-49	Circulatory	$168,715	$1,087	$7,384	$2,763	**$179,949**	Yes
8880115032550339391	Subscriber	Female 50-59	Not Available	$23,537	$38,718	$11,428	$103,372	**$177,055**	Yes
2259907664559702781	Subscriber	Female 40-49	Neoplasms	$0	$74,658	$17,085	$68,175	**$159,918**	Yes
2720276096689917883	Subscriber	Female 50-59	Genitourinary	$26,399	$121,291	$9,990	$251	**$157,931**	Yes
7342184672468066337	Subscriber	Male 50-59	Neoplasms	$0	$2,745	$138,434	$51	**$141,230**	Yes
1330411596435899271	Spouse	Male 50-59	Neoplasms	$20,760	$73,644	$4,298	$31,642	**$130,344**	Yes
6847200099060149722	Subscriber	Male 40-49	Not Available	$0	$1,845	$570	$123,900	**$126,315**	Yes
1810594546616492866	Subscriber	Female 50-59	Nervous	$0	$98,204	$2,806	$16,346	**$117,356**	Yes
1028897575946136215	Subscriber	Female 50-59	Neoplasms	$0	$53,212	$12,903	$37,364	**$103,479**	Yes
3292089519230858821	Subscriber	Male 50-59	Neoplasms	$46,566	$19,740	$21,158	$10,910	**$98,374**	Yes
699753437261922151	Subscriber	Male 50-59	Not Available	$0	$0	$233	$96,551	**$96,784**	Yes
7939553021259743220	Spouse	Female 50-59	Not Available	$0	$0	$0	$87,585	**$87,585**	Yes
6141647802066668325	Subscriber	Female 60-64	Musculoskeletal	$0	$55,963	$3,255	$27,183	**$86,401**	Yes
4593798785608624029	Subscriber	Male 50-59	Neoplasms	$78,440	$3,426	$3,778	$10	**$85,654**	Yes
8892446909409978230	Subscriber	Female 60-64	Not Available	$0	$1,989	$435	$82,996	**$85,420**	Yes
5660217277286092197	Subscriber	Female 40-49	Not Available	$0	$8,196	$4,299	$72,345	**$84,840**	Yes
7262772390996018847	Subscriber	Female 50-59	Not Available	$0	$5,264	$1,351	$77,053	**$83,668**	Yes
7764661127623599758	Subscriber	Female 60-64	Respiratory	$35,961	$35,304	$10,071	$2,083	**$83,419**	Yes
High Cost Claimant Total				**$445,871**	**$1,049,757**	**$257,764**	**$840,813**	**$2,594,205**	

8 claimants have cancer diagnosis. Plan had 4 this time last year

Top Non-Specialty Drugs by Plan Paid

January-May Comparison

Gallagher

Current/ Prior Rank		Plan Therapeutic Class (Jan-May 2026)	Prescriptions	Utilizing Members	Ingredient Cost	Avg. Ingredient Cost/ Prescription (Current)
1	1	Anti-Obesity Agents	1,127	294	$1,241,846	$1,101.90
2	2	Incretin Mimetic Agents	906	226	$933,205	$1,030.03
3	3	Calcitonin Gene-Related Peptide (CGRP) Receptor Antag	288	75	$315,108	$1,094.13
4	4	Sodium-Glucose Co-Transporter 2 (SGLT2) Inhibitors	366	84	$134,263	$366.84
5	5	Sympathomimetics	597	265	$117,601	$196.99
6	6	Direct Factor Xa Inhibitors	204	52	$79,973	$392.02
7	7	Antipsychotics - Misc.	70	21	$67,219	$960.26
8	10	Digestive Enzymes	9	3	$46,277	$5,141.87
9	8	Insulin	155	34	$42,692	$275.43
10		Immunosuppressive Agents	97	13	$39,663	$408.89
		All Other	27,934	2,832	$1,185,867	$42.45
		Summary	**31,753**	**2,909**	**$4,203,713**	**$132.39**

Current/ Prior Rank		Plan Therapeutic Class (Jan- May 2025)	Prescriptions	Utilizing Members	Ingredient Cost	Avg. Ingredient Cost/ Prescription (Current)
1	2	Anti-Obesity Agents	706	200	$779,953	$1,104.75
2	1	Incretin Mimetic Agents	791	219	$778,403	$984.07
3	4	Calcitonin Gene-Related Peptide (CGRP) Receptor Antag	238	61	$246,268	$1,034.74
4	3	Sodium-Glucose Co-Transporter 2 (SGLT2) Inhibitors	315	78	$176,655	$560.81
5	6	Sympathomimetics	635	322	$115,322	$181.61
6	5	Direct Factor Xa Inhibitors	204	55	$114,481	$561.18
7	10	Antipsychotics - Misc.	81	24	$66,510	$821.11
8		Cystic Fibrosis Agents	2	1	$59,138	$29,568.79
9	7	Insulin	145	32	$52,742	$363.74
10	8	Amphetamines	512	140	$49,018	$95.74
		All Other	25,627	2,833	$1,143,710	$44.63
		Summary	**29,256**	**2,901**	**$3,582,198**	**$122.44**

Anti-Obesity Agents:

- 2025 cost to the Plan was $1,228,436 over 2024 spend which accounted for 41% of the budget deficit
- 2026 annualized cost to be *$2,980,430
- 2025 annual cost was $2,223,686

*timing of fill can affect expected 2026 annual cost

2027 Renewal

YOY Fixed Cost Renewal History

Recap	Response
BCBSOK 2024 Renewal Recap	0% Increase in funding • Starting in 2024, Flex Access was added to result in $700k estimated savings to Rx Specialty spend • For 2024, Gallagher Pharmacy Team negotiated contract with Prime for an estimated 3-5% of savings • In 2024, OKHEEI increased plan cost share to Blue Options Plans to decrease member cost share outside the state of Oklahoma • In 24/25, OKHEEI streamlined the retiree eligibility process
BCBSOK 2025 Renewal Recap	Released Fixed cost Renewal at +86%; Revised Fixed Cost Renewal -88.7% ($531,188) • Did not require a change in stop loss contracts Final renewal increase of 15.7% in funding (claims driven) Several Cost Containment Approaches were evaluated, below was executed • Plan OOP Max's & Rx Specialty Change - $794k est. savings • Prime Formulary Move - $493k est. savings • No New Laser provision in Stop Loss Contract • Realignment of Employee Contribution Strategy by College – Savings ranged by college
BCBSOK 2026 Renewal Recap	Released Fixed cost Renewal at +18%; Revised Fixed Cost Renewal -58.5% ($444,176) • Did not require a change in stop loss contracts Final renewal increase of 9% in funding (claims driven) Several Cost Containment Approaches were evaluated, below was executed • Moving All Plans to Blue Advantage network for larger network discounts and increasing OOP Max on Plan C by $500 • Add Plan equal to $2,000 Plan, but with Blue Options • Worked on Employee Contribution Strategy by College – Savings ranged by college • Moved Advantage and PDP to BCBS for immediate savings

2027 Medical Marketing

Line of Coverage	Carrier Name	Response
Medical TPA/Network, PBM, and Stop Loss Marketing	**BCBS**	**Current / Renewal**
	Luminaire/BCBS	Does not access Blue Advantage Network
	Collective Health/BCBS	Does not access Blue Advantage Network
	Aetna (Meritain)	Uncompetitive
	Aetna (ASO)	Uncompetitive
	UHC Surest	Quoted
	Optum	Stop loss 50% above current
	Symetra	Stop loss 17% above current
	SunLife	See Spreadsheet
	HM	Need claims data through June to provide a 1/1 quote
	BCS	Does not quote advance renewal date yet
	HCC/Tokio Marine	We require seven months of current plan year data to provide a quote
	Voya	Quoting for 1/1/27 business will not commence until July 15th
	Cigna – ASO	Uncompetitive
	Cigna – TPA	Uncompetitive
	Wellpoint	Need claims data through June to provide a 1/1 quote

Additional thoughts: OKHEEI Renewal locks in of rates in May of each year. This limits the market but has served as an advantage to history of large claims occurring in late Q2-Q4.

All quoted carrier pricing assumes all universities enrolled as of 1/1/2027. Any change in MEWA requires new underwriting and will affect pricing.

Current Health Plans

	PLAN A	PLAN B	PLAN C	PLAN D	PLAN F
	Blue Advantage	**Blue Advantage**	**Blue Advantage**	**Blue Options**	**Blue Advantage**
Lifetime Benefit Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Annual Deductible	$750 single / $2,250 family	$1,250 single / $3,750 family	$2,000 single / $5,000 family	$2,000 single / $5,000 family	$3,500 single / $7,000 family
Annual Out-of-Pocket Maximum	$3,500 single / $10,500 family	$4,000 single / $12,000 family	$5,500 single / $15,000 family	$5,500 single / $15,000 family	$6,650 single / $13,300 family
Coinsurance	20%	20%	20%	20%	20%
DOCTOR'S OFFICE					
Primary Care Office Visit	$20 copay per visit	$25 copay per visit	$35 copay per visit	$35 copay per visit	20% after deductible
Specialist Office Visit	$40 copay per visit	$40 copay per visit	$50 copay per visit	$50 copay per visit	20% after deductible
Preventive Care (screening, immunization)	0%	0%	0%	0%	0%
Diagnostic Test (x-ray, blood work)	20% after deductible	20% after deductible	20% after deductible	20% after deductible	20% after deductible
Imaging (CT/PET scans, MRIs)	20% after deductible	20% after deductible	20% after deductible	20% after deductible	20% after deductible
HOSPITAL SERVICES					
Emergency Room	$100 copay per visit ** + 20% after deductible	$150 copay per visit ** + 20% after deductible	$150 copay per visit ** + 20% after deductible	$150 copay per visit ** + 20% after deductible	20% after deductible
Inpatient	20% after deductible	20% after deductible	20% after deductible	20% after deductible	20% after deductible
Outpatient Surgery	20% after deductible	20% after deductible	20% after deductible	20% after deductible	20% after deductible
Urgent Care	$40 copay per visit	$40 copay per visit	$50 copay per visit	$50 copay per visit	20% after deductible
PRESCRIPTION DRUGS***					
Generic Drugs	**Retail:** $30 copay **Mail Order:** $90 copay				20% after deductible
Preferred Drugs	**Retail:** $60 copay **Mail Order:** $180 copay				20% after deductible
Non-Preferred Drugs	**Retail:** $90 copay **Mail Order:** $270 copay				20% after deductible
Specialty Drugs	**Retail:** $150 copay, deductible does not apply Must be ordered through Prime Oklahoma Specialty Network (no mail order available)				20% after deductible
Supply Limits	**Retail:** 30 Day Supply **Mail Order:** 90 Day Supply				

Notable Plan Advantages

- **Zero Dollar Outpatient Services**
- **Zero Dollar Prescriptions**
- $250 wellness deductible credit for all family members above age 18
  - If wellness completed AND if the member participates in MOO, each member could receive up to $200

Considerations for GLP-1

Anti-Obesity Agents Cost Drivers:

CHALLENGE: 2025 cost to the Plan was $1,228,436 over 2024 spend which accounted for 41% of the budget deficit. 2025 annual cost was $2,223,686. 2026 annualized cost to be *$2,980,430

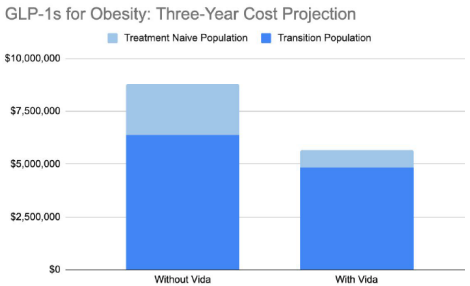
OPTIONS

1: Remove Weight Loss Coverage

Issue: GLP-1s are highly rebated drugs. Analysis shows that removal of weight loss coverage and loss of rebates does not equate to a significant financial win

2: **Clinical Obesity Management Program (Vida) - RECOMMENDED**

- Provides coaching, behavior-change support, medication management, and clinical oversight to encourage appropriate use and long-term lifestyle changes.
- Center of Excellence - Vida becomes the sole prescriber for GLP-1s for weight loss



No change in rebate credit

2027 Medical Fixed Cost Renewal

	Current 2026 Budget	Current Contract 2026	Renewal 2027 No Changes BCBS	Renewal 2027 No Changes BCBS/SunLife	Option 1 Surest Option
Contract	**$300,000 Paid**	**$300,000 Paid**	**$300,000 Paid**	**$300,000 24/12**	**$300,000 24/12**
TPA Administration	$54.29	$54.29	$57.12	$59.12	$54.88
BCBS Fiduciary	$1.00	$1.00	$1.00	$1.00	$0.00
Annual Services Charge/Credit	$4,000.00	$4,000.00	$2,000.00	$2,000.00	$0.00
Rx Rebate	-$151.14	-$151.14	-$178.24	-$178.24	-$49.50
Medical Rebate	-$2.50	-$2.50	-$2.50	-$2.50	$0.00
Individual Stop Loss Premium	$70.08	$70.08	$80.00	$83.92	$86.64
Family Stop Loss Premium	$70.08	$70.08	$80.00	$83.92	$86.64
Aggregate Premium	$1.04	$1.04	$1.09	$1.97	$4.34
TOTAL Monthly FIXED	-$82,643	-$82,643	-$126,044	-$105,406	$292,453
Annual Fixed	-$987,717	-$987,717	-$1,510,523	-$1,262,867	$3,509,431
Carrier Credits	$0	$0	$0	$0	-$300,000
TOTAL ANNUAL FIXED	**-$987,717**	**-$987,717**	**-$1,510,523**	**-$1,262,867**	**$3,209,431**

- Above reflects an increase in Rx Rebates
- Initial Stop Loss increase was 20%. Gallagher was able to negotiate to 14%
- **Overall Fixed Cost Pricing Reduction of $522,806 on final renewal**

- All quoted carrier pricing assumes all universities enrolled as of 1/1/2027. Any change in MEWA requires new underwriting and will affect pricing.

2027 Medical Claim Development

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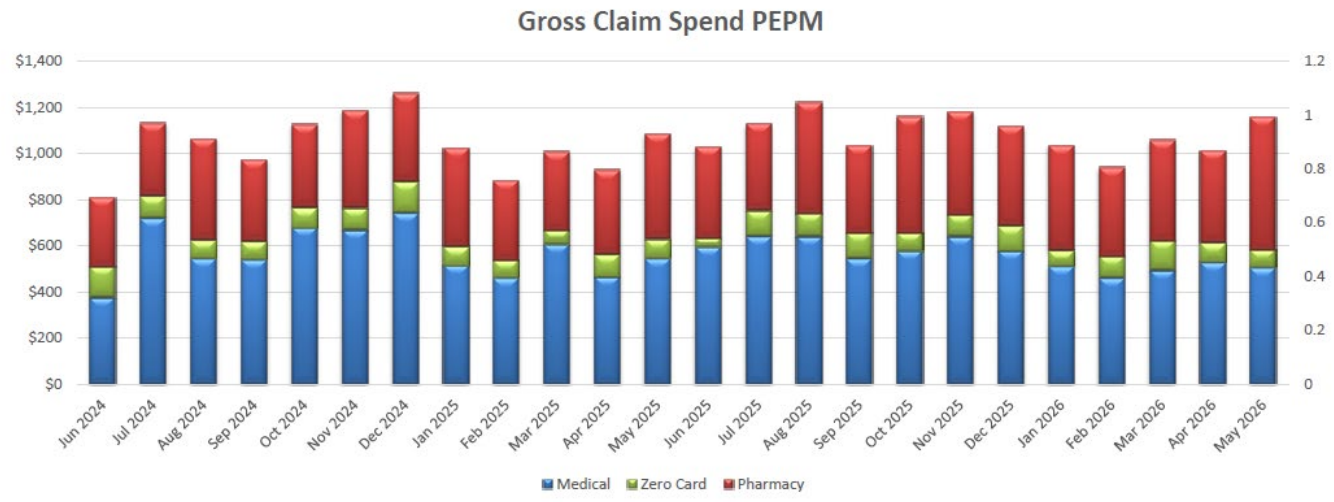
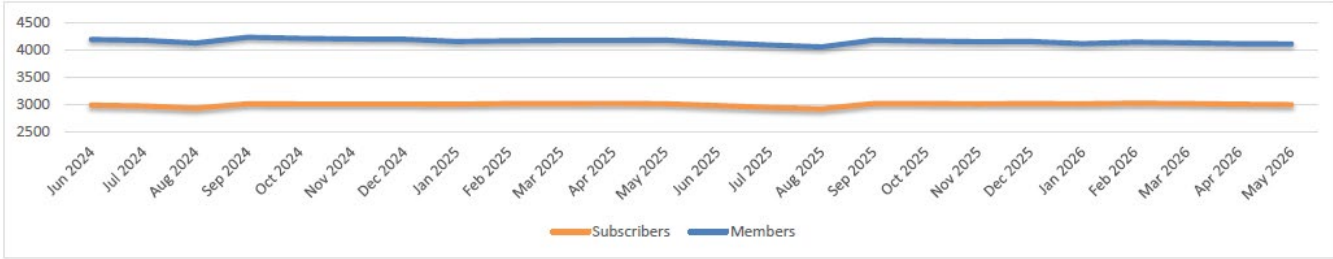
Month	Subscribers	Members	Medical	Zero Card	Pharmacy	Total Claims
May-24	3,026	4,234				
Jun-24	2,982	4,185	$1,116,597	$395,579	$901,230	$2,413,406
Jul-24	2,965	4,171	$2,135,479	$282,425	$934,920	$3,352,823
Aug-24	2,927	4,121	$1,594,339	$231,883	$1,283,134	$3,109,356
Sep-24	3,007	4,228	$1,623,067	$233,491	$1,054,437	$2,910,996
Oct-24	3,002	4,206	$2,035,565	$259,307	$1,082,689	$3,377,561
Nov-24	3,002	4,196	$2,004,221	$281,211	$1,268,901	$3,554,333
Dec-24	3,003	4,189	$2,231,205	$405,467	$1,151,023	$3,787,695
Jan-25	2,997	4,152	$1,540,884	$244,617	$1,272,812	$3,058,313
Feb-25	3,009	4,163	$1,384,152	$223,836	$1,040,877	$2,648,866
Mar-25	3,013	4,171	$1,823,152	$176,729	$1,034,502	$3,034,383
Apr-25	3,014	4,172	$1,393,873	$299,223	$1,103,316	$2,796,411
May-25	3,008	4,174	$1,635,546	$249,931	$1,373,037	$3,258,514
Jun-25	2,973	4,127	$1,763,276	$116,408	$1,176,376	$3,056,060
Jul-25	2,936	4,084	$1,883,919	$317,049	$1,110,899	$3,311,867
Aug-25	2,915	4,051	$1,857,501	$294,010	$1,412,910	$3,564,422
Sep-25	3,011	4,173	$1,636,505	$325,594	$1,140,817	$3,102,916
Oct-25	3,010	4,159	$1,732,337	$239,260	$1,518,593	$3,490,190
Nov-25	3,008	4,148	$1,924,116	$279,956	$1,341,927	$3,545,999
Dec-25	3,011	4,152	$1,734,320	$329,957	$1,290,017	$3,354,295
Jan-26	3,005	4,111	$1,536,799	$200,956	$1,368,325	$3,106,080
Feb-26	3,018	4,137	$1,389,043	$274,428	$1,170,872	$2,834,342
Mar-26	3,010	4,127	$1,481,448	$383,124	$1,321,690	$3,186,262
Apr-26	2,998	4,108	$1,583,622	$247,712	$1,191,813	$3,023,147
May-26	2,992	4,104	$1,516,202	$227,620	$1,719,023	$3,462,846
* Medical includes Blue Card Access fees						
Prior R12	**35,947**	**50,188**	**$20,518,079**	**$3,283,700**	**$13,500,878**	**$37,302,657**
Prior R12 PEPM	---	---	**$570.79**	**$91.35**	**$375.58**	**$1,037.71**
Prior R12 PMPM	---	---	**$408.82**	**$65.43**	**$269.01**	**$743.26**
Current R12	**35,903**	**49,551**	**$20,039,089**	**$3,236,074**	**$15,763,264**	**$39,038,426**
Current R12 PEPM	---	---	**$558.15**	**$90.13**	**$439.05**	**$1,087.33**
Current R12 PMPM	---	---	**$404.41**	**$65.31**	**$318.12**	**$787.84**

2027 Medical Claim Development





2027 Medical Claim Development

Gallagher

	6/1/2024 - 5/31/2025		6/1/2025 - 5/31/2026	
	Medical	Pharmacy	Medical	Pharmacy
Gross Paid Claims	$23,801,779	$13,500,878	$23,275,163	$15,763,264
Prior Plan Design Changes	($454,962)	($288,744)	($92,139)	($68,302)
Adjusted Paid Claims	$23,346,816	$13,212,134	$23,183,023	$15,694,961
Remove Large Claims	($2,418,920)	($1,125,551)	($2,262,855)	($874,594)
Total Net Paid Claims	$20,927,897	$12,086,583	$20,920,169	$14,820,367
Subscriber Months	35,947	35,929	35,903	35,887
Average Claim Value	$582.19	$336.40	$582.69	$412.97
Experience Midpoint	12/1/2024	12/1/2024	12/1/2025	12/1/2025
Projection Midpoint	7/1/2027	7/1/2027	7/1/2027	7/1/2027
Trend Months	31	31	19	19
Claims Adjusted Trend Rate	9.3%	11.7%	9.3%	11.7%
Trend Factor	1.257	1.332	1.151	1.192
Change in Reserve Adjustment	1.007	1.000	1.007	1.000
Contract Size Adjustment	0.982	0.982	0.994	0.994
Experienced Incurred Claims PEPM	$724.44	$440.26	$671.28	$489.30
Combined Experienced Incurred Claims PEPM	$1,164.70		$1,160.58	
Other Period Specific Adjustment	1.000		1.000	
Adjusted Incurred Claims PEPM	$1,164.70		$1,160.58	
Add Large Claimants	$66.76		$66.85	
Total Experienced Incurred Claims PEPM	$1,231.46		$1,227.43	
Experience Period Weighting	10%		90%	
Projected Incurred Claims PEPM	$1,227.83			
Pharmacy Rebates Reconciliation	($24.55)			
Total Projected Incurred Claims PEPM (Exp)	**$1,203.28**			
Total Annual Claims (Exp)	**$43,202,708**			

Renewal Summary

Current Budgeting Rate PEPM	**$989.87**
Projected Premium Equivalent (Exp)	**$1,174.54**
Annual Projected Premium Equivalent (Exp)	**$42,170,576**
Calculated Rate Action (%)	**18.7%**

2027 All Lines Renewal Projections

Current			Renewal Estimate All Lines @12.4%				Renewal Estimate All Lines @ 15.3%			
2026			2027		2026 to 2027 Change		2027		2026 to 2027 Change	
Coverage Line	Carrier	Budgeted Cost	Carrier	Estimated Budget Cost	$ Difference	% Change	Carrier	Estimated Budget Cost	$ Difference	% Change
Health Plan	BCBSOK	$36,128,640	BCBSOK	$41,500,000	$5,371,360	14.9%	BCBSOK	$42,644,902	$6,516,262	18.0%
Dental Plan	Delta Dental	$2,763,881	Delta Dental	$2,763,881	$0	0.0%	Delta Dental	$2,763,881	$0	0.0%
Vision Plan	VSP	$488,433	VSP	$488,433	$0	0.0%	VSP	$488,433	$0	0.0%
Life Insurance (Basic Life & AD&D)	The Standard	$662,292	Mutual of Omaha	$352,700	-$309,592	-46.7%	Mutual of Omaha	$352,700	-$309,592	-46.7%
Short-Term Disability	The Standard	$137,022	Mutual of Omaha	$137,022	$0	0.0%	Mutual of Omaha	$137,022	$0	0.0%
Long-Term Disability	The Standard	$285,498	Mutual of Omaha	$261,017	-$24,481	-8.6%	Mutual of Omaha	$261,017	-$24,481	-8.6%
Totals:		$40,465,766		$45,503,053	$5,037,287	12.4%		$46,647,955	$6,182,189	15.3%

All quoted carrier pricing assumes all universities enrolled as of 1/1/2027. Any change in MEWA requires new underwriting and will affect pricing.

Rates Based on Renewal Percentage 14.9%

Change from current $147.53 PEPM

Gallagher is available to assist OKHEEI team with Contribution Analysis

		Current Plan Year 2026	Renewal Plan Year 2027
Coverage Tier	Enrollment	Total Rates	Self Funded (Mature Expected)
Plan A - $750 Blue Advantage			
Employee	152	$1,065.54	$1,224.31
Employee + Spouse	3	$2,074.34	$2,383.41
Employee + Child	8	$1,361.64	$1,564.52
Employee + Children	4	$1,840.38	$2,114.59
Employee + Family	1	$2,657.69	$3,053.69
Plan B - $1,250 Blue Advantage			
Employee	1115	$913.27	$1,049.34
Employee + Spouse	44	$1,654.88	$1,901.46
Employee + Child	106	$1,173.51	$1,348.37
Employee + Children	55	$1,594.26	$1,831.80
Employee + Family	38	$2,167.56	$2,490.53
Plan C - $2,000 Blue Advantage			
Employee	825	$761.83	$875.35
Employee + Spouse	58	$1,465.91	$1,684.33
Employee + Child	156	$1,010.26	$1,160.78
Employee + Children	69	$1,411.88	$1,622.25
Employee + Family	58	$1,955.29	$2,246.62
Plan D - New $2,000 Plan - Blue Options			
Employee	186	$964.48	$1,108.19
Employee + Spouse	10	$1,747.68	$2,008.08
Employee + Child	24	$1,239.32	$1,423.98
Employee + Children	2	$1,683.65	$1,934.51
Employee + Family	4	$2,289.11	$2,630.19
Plan F - $3,500 Blue Advantage			
Employee	46	$727.76	$836.20
Employee + Spouse	2	$1,369.97	$1,574.09
Employee + Child	16	$928.47	$1,066.82
Employee + Children	7	$1,315.29	$1,511.27
Employee + Family	3	$1,888.53	$2,169.93
Plan Cost Composite PEPM	2,992	**$989.87**	**$1,137.36**
PCORI Fees		**$0.41**	**$0.45**
Annual		**$35,555,027.29**	**$40,851,969.14**
Change From Current ($)			**$147.53**
Change From Current (%)			**14.9%**

2027 Renewal Decisions

Renewal Options

Renewing with BCBS with no major plan changes

- Includes update to GLP-1 Weight Loss Medical Management
- 14.9% increase to current budget.

Option 1: Gallagher's projection is a 18% increase to current budget. Allows more margin for variance and expectation to build back reserves.

Renewal Timeline – OKHEEI

Activity	Target Date
Pre-Renewal Strategy Meetings	January & February
Census Request Due Date	February 1st
Expected Renewal Receipt from Incumbent Carrier	March 20th
Initial Renewal Indications	April & May Board Meetings
Renewal Presentation	July Board Meeting
Renewal Decisions/College Contributions Due	August 5th
Annual Open Enrollment (Allows for 2-week OE and Thanksgiving)	October 12th - 23rd
OE Elections Due to Carriers	November 15th
Renewal Effective Date	January 1, 2027

Renewal Timeline above is set to ensure the best experience for employers and employees. Timeline may adjust due to benefit administration system requirements, holidays, or to allow for a transition to new carriers.

Open Enrollment

Active and Pre-65 Employees

As of 7/15, most have elected on-site OE Meetings

Meeting Reminders

- Please communicate with Harmony regarding scheduling
- Goal is 99.9% participation of enrolled members. Recommend sign-ups
- Focus of OE meetings is strength of OKHEEI plans, Preventive Screenings, Zero Card, and other value-based programs.

Example Information given during OE:

- Only 36% of eligible participants have had a wellness exam. Coming from our board meetings, education is very important for members to know how to use their wellness benefits.
  - Zero Card is a GREAT place to wellness care such as colonoscopies and mammography's.
  - Only 7 members have had a colonoscopy through Zero Card this year. The cost to members is $0 regardless of diagnosis
  - 1 member has had a mammography this year through Zero Card. The cost to members is $0 regardless of diagnosis
- Impact of Cardiac and Cancer Cost. Early Screenings are very important.
- Costs are often 3-4 times higher at larger hospital facilities like St. Francis, OU, and Integris.
- We've had member services in CA, MO, FL, AR, IL, OR, TX, and OH in 2026. Members can compare the cost of services on the BCBS website regardless of where they live or seek services.
- 99 out of 800 members have sought services under Zero Card already this year.
  - The cost of an MRI in a hospital can be $3000 plus. Through Zero Card, it's $0 for a patient and an average of $600 cost to the Plan.

July 30th!

2027 Benefits

Train the Trainer

Mutual of Omaha will be in attendance

OKHEEI

Thank you to our lunch sponsor BCBS

Retiree Renewal

Senior (Medicare) Supplement

Gallagher

- Covers many costs Original Medicare doesn't cover
- Almost no claim forms to file
- No networks — visit any doctors, specialists and hospitals who participate in Medicare and accept the plan

Covered services	Medicare pays	Plan pays	You pay
Medicare Part A and B deductible	$0	100%	$0
Remainder of Medicare-approved amounts	Generally, 80%	100%	$0
Medicare Part B excess charges (above Medicare-approved amounts)	$0	100%	$0
Preventive care	100%	Balance (if applicable)	$0

Medicare Advantage - MA

Medicare Advantage plan
Offered by private companies – all in one plan

Part C
Combines Part A (hospital insurance) and Part B (medical insurance) in 1 plan

Part D
Usually includes prescription drug coverage

All the benefits of Medicare Parts A and B as well as additional benefits built into the plan

All the benefits of Part A

- Hospital stays
- Skilled nursing
- Home health

All the benefits of Part B

- Doctor visits
- Outpatient care
- Screenings and shots
- Lab tests

PartD/prescription drug coverage

Included in Medicare Advantage

Part D RX (PDP)

Gallagher

Effective 1/1/2027 – BCBS will transition the PBM from Prime to Health Spring

Tier	Prescription drug type	Your costs	
		Low PDP Retail (30 day supply) $700 annual deductible $2400 annual max out of pocket	**High PDP Retail (30 day supply) $0 annual deductible $2400 annual max out of pocket**
1	**Preferred Generic** All covered generic drugs	25% coinsurance	$10 copay
2	**Preferred Brand** Many common brand-name drugs, called preferred brands	25% coinsurance	25% coinsurance up to a maximum of $45
3	**Non-preferred Drug** Non-preferred brand-name drugs. In addition, Part D-eligible compound medications are covered in Tier 3.	25% coinsurance	50% coinsurance up to a maximum of $95
4	**Specialty Tier** Unique and/or very-high-cost brand-name drugs	25% coinsurance	50% coinsurance up to a maximum of $95

2026 Renewal Impact Drivers

-High single digit Part C claims trend from 2024-2025 expected to continue to 2027. 2026 year to date trends exhibit similarly high levels.

-High double-digit Part D claims trends form 2024-2025 expected to begin to subside in 2027 due to brands going generic, and favorable 2027 government drug negotiations.

-Government Funding projected to be insufficient in offsetting large claims increase.

-Negative risk score model changes to Part C further bringing risk scores down.

-Financial pressure on Part D of MAPD due to risk score model changes, with PDP standalone benefiting from risk score model changes.

Summary of 2027 Part D Cost-Sharing Structure Changes

1. Deductible: $700 (2026 $615)
2. Initial Coverage Phase: 25% Cost-sharing until (RxMOOP): $2,400 (2026 $2,100)
3. Catastrophic Coverage Phase: 0% Cost-sharing until (RxMOOP): $2,400 (2026 $2,100)

Marketing Summary

2027 Plan Year

	Enrollment	Current UHC/BCBS Monthly Rates	Renewal UHC/BCBS Monthly Rates	$ ^	% ^
Sr. Supplement Plan	839	$328.11	$368.11	$40.00	12%
High PDP Plan		$228.40	$239.82	$11.42	5%
Low PDP Plan		$134.00	$140.70	$6.70	5%
MA + PDP High		$386.20	$410.24	$24.04	6%
MA + PDP Low		$291.80	$311.12	$19.32	7%

Notes:
***Above does not include OTRS Subsidy**
***BCBS MA and PDP Plans Most Competitive in market**
*BCBS does not offer Supplemental Plan
*Marketed to Cigna, Humana, UHC Aetna - Not Competitive for Rates or Network

Medicare Education
Chris Ritchie

Open Enrollment

65+ Employees and Retirees

Medicare Education - Chris Ritchie

Understanding Medicare coverage and the various plan options can be time-consuming and a lot of information for anyone to process. There are countless complexities, numerous nuances, and a myriad of Medicare mysteries to navigate. This is precisely why having a reliable Medicare education matters.

On-Site Meetings Available

- Please communicate with Harmony regarding scheduling, or contact Chris Ritchie directly
- **Recommend sign-ups**

*Virtual Meetings are available, but often render low participation

General Disclaimers

Coverage Disclaimer

This proposal is an outline of the coverages proposed by the carrier(s) based upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This proposal is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.

Renewal / Financial Disclaimer

This analysis is for illustrative purposes only, and is not a proposal for coverage or a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. See your policy or contact us for specific information or further details in this regard.

Legal

The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It should not be construed as, nor is it intended to provide, legal advice. Laws may be complex and subject to change. This information is based on current interpretation of the law and is not guaranteed. Questions regarding specific issues should be addressed by legal counsel who specializes in this practice area.

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Gallagher may receive supplemental compensation from insurance carriers and vendors, normally calculated at the end of each calendar year, that are contingent on a number of factors including the overall number of employer plans represented, plan retention rates, and overall premium growth. Historically, supplemental compensation has ranged, on average, between 0-3% based on specific carrier programs. These plans have no effect on premiums. Further, Gallagher may receive non-cash compensation from plan vendors or service providers that are not in connection with any particular client. If you have any questions regarding direct or indirect compensation received by Gallagher, please contact your dedicated Gallagher advisor or refer to the Gallagher Global Standards of Business Conduct (https://www.ajg.com/us/about-us/global-standards).

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Products and policies/certificates may vary by state and/or carrier, including but not limited to, definitions, provisions, exclusions, and rates. Carriers and/or states may require major medical insurance to be eligible, including proof. Communications, education and enrollment will accommodate state differences and requirements. Final proposals may vary based on effective date, education / enrollment, plan designs, and census updates.

Thank you!

Gallagher

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