



Human Resources Committee

Mike Harris, Chairman
James Carius Community Room
101 S. Capitol Street
Pekin, Illinois 61554

Tuesday, August 19, 2025

Immediately following Finance Committee meeting

- I. Roll Call
- II. Approve the minutes of the July 22, 2025 meeting
- III. Public Comment
- IV. Unfinished Business
- V. New Business
 - HR-25-09 A. Recommend to approve the four-year salary for the Tazewell County Clerk
 - HR-25-10 B. Recommend to approve the four-year salary for the Tazewell County Treasurer
 - HR-25-16 C. Recommend to approve Agreement with Thrive Wellness, Inc. and participation in the FY25 Health Fair
 - HR-25-17 D. Recommend to approve agreement with ParetoHealth as stop loss carrier
 - E. Executive Session – 5 ILCS 120/2(c)(2) – Collective Bargaining or Salary Schedules
- VI. Reports and Communications
- VII. Recess

Members: Chairman Mike Harris, Max Schneider, Joe Woodrow, Deene Milam, Eric Schmidgall, Kim Joesting, Russ Crawford, Dave Mingus, Nancy Proehl, Eric Stahl, Aaron Phillips

Minutes pending committee approval



HUMAN RESOURCES COMMITTEE

James Carius Conference Room

Tuesday, July 22, 2025 – 4:12 p.m.

Committee Members Present: Chairman Mike Harris, Eric Schmidgall, Kim Joesting, Russ Crawford, Joe Woodrow, Nancy Proehl, Deene Milam, Eric Stahl, Aaron Phillips, Dave Mingus

Committee Members Absent: Max Schneider

Others Attending: Mike Deluhery, County Administrator

MOTION **MOTION BY MEMBER JOESTING, SECOND BY MEMBER MILAM** to approve the minutes from the June 17, 2025 meeting and June 25, 2025 in-place meeting.

On voice vote, **MOTION CARRIED UNANIMOUSLY.**

DISCUSSION: Elected Official Salaries for County Clerk and Treasurer

Administrator Mike Deluhery stated that this is done every two years for those that will be on the ballot. He stated that there are salaries already set for them for 2026. He stated that this discussion is for FY27, FY28, FY29, and FY30. He stated that included in the packet were comparisons to other counties, historical increases, and comparisons of other countywide elected official salaries. He provided an overview of the documents.

Administrator Deluhery stated that this is a discussion item so that they know what they would like brought forward as a Resolution.

Circuit Clerk Linc Hobson stated that what has been done for the past 10 years, is whatever this group gets is what the next group gets too.

Member Phillips stated that when Covid hit, inflation spiked and we were at 3%. He stated that inflation is coming back down and if we change what we doing we will be fighting the trend. He stated that if we keep it at 3%, we would be a little bit ahead of inflation.

Member Milam stated that the problem using CPI is he does not believe it is accurate. He stated that believes there is a lot more inflation that is recognized.

HR-25-13 MOTION BY MEMBER CRAWFORD, SECOND BY MEMBER JOESTING to recommend to approve termination of the Carle Health Plus, Inc., Preferred Provider Organization Agreement

Administrator Mike Deluhery stated that Carle Health has offered to allow us to exit out of the current contract that we have. He stated that right now, we have a preferred provider contract where if an employee lives within a 40 mile radius of the facility, then they have to go to a Carle Health facility. He stated that if an employee goes to an OSF facility and that service could have been provided at a Carle Health facility, the policy pays nothing. He stated that we are looking to get out of the contract on September 1, 2025. He stated that switching to Aetna would be a cost benefit to both the employees and the County.

Assistant Administrator/Finance Director Mindy Darcy stated this was brought to this group in June and the committee was supportive. She stated that this was discussed during the Insurance Review meeting. She stated that we are ready to move forward and advised that The Wyman Group needs about one month to be able to the new ID cards out and get everybody enrolled. She stated that employees will have access to Carle Health, OSF, Springfield Clinic, and other providers.

Jolie Burris from The Wyman Group stated that 97% of the current providers utilized by employees of the County are in the Aetna network. She stated that there were 16 current providers utilized by employees of the County that are not in the Aetna network, which included Hopedale Medical Complex, 13 chiropractors, and 2 licensed clinical social workers. She stated that with the new Aetna plan, if you want to go to someone who is out-of-network, you would pay 40% and the plan would pay 60%.

Administrator Deluhery stated that they will recommend no increases to the employee's premiums for FY26.

Member Crawford questioned if the health fair will still take place. Ms. Burris advised that they are currently working to find a new vendor for the health fair.

Member Stahl questioned if any employees will have interrupted services due to these changes. Ms. Burris advised that they do know of an employee who is seeking care at Hopedale Medical Complex, however, the doctors that he treats with do treat at other facilities in the area.

Member Proehl expressed her concerns that we would exclude Hopedale Medical Complex since they are a business in Tazewell County. Ms. Burris stated that they are unwilling to contract with Aetna.

Member Hopkins stated that it might be beneficial to have a conversation with Hopedale Medical Complex to let them know that we are switching to Aetna and to give them an opportunity to contract with them.

On voice vote, MOTION CARRIED UNANIMOUSLY.

HR-25-14 MOTION BY MEMBER STAHL, SECOND BY MEMBER SCHMIDGALL to recommend to approve Aetna Health Insurance Agreement

Assistant Administrator/Finance Director Mindy Darcy stated that this would be a great benefit for our employees and would provide them with a lot more options.

On voice vote, MOTION CARRIED UNANIMOUSLY.

HR-25-15 MOTION BY MEMBER WOODROW, SECOND BY MEMBER STAHL to recommend to approve updates to Health Insurance Summary of Benefits and Coverage

Administrator Deluhery provided a summary of the changes that will be made to the Summary of Benefits and Coverage.

On voice vote, MOTION CARRIED UNANIMOUSLY.

RECESS Chairman Harris recessed the meeting at 5:01 p.m.

(transcribed by S. Gullette)

Countywide Elected Officials Salaries - Comparison to other Counties

Treasurer				
	2026	2025	2024	2023
Peoria	118,060	118,060	118,060	116,560
McLean	118,235	114,981	111,821	111,297
Rock Island	102,000	102,000	100,000	100,000
Kendall	116,460	113,619	110,848	108,145
Tazewell	99,197	96,308	93,503	90,780
LaSalle	77,322	75,436	73,596	71,801
Kankakee	78,233	75,954	73,742	71,594
Macon	94,276	92,655	91,061	89,495
Dekalb	109,100	107,000	104,900	102,800

County Clerk				
	2026	2025	2024	2023
Peoria	118,060	118,060	118,060	116,560
McLean	118,235	114,981	111,821	111,297
Rock Island	102,000	102,000	100,000	100,000
Kendall	116,460	113,619	110,848	108,145
Tazewell	101,069	98,125	95,267	92,492
LaSalle	77,322	75,436	73,596	71,801
Kankakee	80,580	78,233	75,954	73,742
Macon	94,276	92,655	91,061	89,495
Dekalb	109,100	107,000	104,900	102,800

Countywide Elected Officials' Salaries - Historical Increases

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
FY25 - FY28 (Auditor, Circuit Clerk, Coroner, Board Chairman)							3% (except Coroner 11.97%)	3%	3%	3%
FY23 - FY26 (County Clerk, Treasurer)					3%	3%	3%	3%		
FY21 - FY24 (Auditor, Circuit Clerk, Coroner, Board Chairman)			0%	0%	1.30%	5.90%				
FY19 - FY22 (County Clerk, Treasurer, Sheriff)	0%	0%	1.30%	5.90%						
Liquor Commissioner (Board Chairman)	\$50	\$50	\$50	\$50	\$50	\$50	3%	3%	3%	3%
Non-Union	1.50%	3% (2% base, 1% merit)	2%	5% (3% base, 2% merit)	3.5% + Longevity Inc. (5.83% Ave.)	4% + Performance Incentive (2 % base, 2% merit, 1.5%-3.5% PIP)	4% (2% base, 2% merit)			

Countywide Elected Officials Salaries

(As of July 18, 2025)

Office	Current Salaries	State Stipends	Total	Authority
State's Attorney	\$ 219,326	\$ -	\$ 219,326	Set by the State with cost of living adjustments typically effective July 1st. Salary as of 7/1/25 increase.
Sheriff	175,460	6,500	181,960	State Statute requires at least 80% of State's Attorney, with cost of living adjustments typically effective July 1st. Salary as of 7/1/25 increase
Circuit Clerk	106,933	6,500	113,433	Set by County Board
County Clerk	98,125	6,500	104,625	Set by County Board
Treasurer	96,308	6,500	102,808	Set by County Board
Coroner	95,000	6,500	101,500	Set by County Board
Auditor	60,958	6,500	67,458	Set by County Board
County Board Chairman	35,251	-	35,251	Set by County Board and includes \$2,934 liquor commissioner compensation

COMMITTEE REPORT

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to establish the four (4) year salary for the County Clerk for the term from December 1, 2026 through November 30, 2030; and

WHEREAS, State Statute requires the County Board to set the salaries for countywide elected officials a minimum of 180 days prior to the date each member is sworn into office; and

WHEREAS, State Statute in 705 ILCS 105/27.3(d) provides that in addition to the compensation provided by the County Board, the State shall provide an annual stipend in the amount of \$6,500 to the County Clerk, which shall not affect any other compensation provided by State Statute; and

WHEREAS, it is recommended that the salary for each year be as follows starting on the dates listed:

	<u>Current as of 12/1/25</u>	<u>12/1/26</u>	<u>12/1/27</u>	<u>12/1/28</u>	<u>12/1/29</u>
County Salary	\$101,069	\$104,101	\$107,224	\$110,441	\$113,754
Increase over prior year		3%	3%	3%	3%

THEREFORE BE IT RESOLVED, by the County Board that the salary of the County Clerk for the upcoming four-year term is hereby set as provided above.

BE IT FURTHER RESOLVED, that the County Clerk notify the County Board Office, Payroll, Finance, and the Human Resources Department of this action.

PASSED THIS 27th DAY OF AUGUST, 2025.

ATTEST:

Tazewell County Clerk

Tazewell County Board Chairman

COMMITTEE REPORT

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to establish the four (4) year salary for the County Clerk for the term from December 1, 2026 through November 30, 2030; and

WHEREAS, State Statute requires the County Board to set the salaries for countywide elected officials a minimum of 180 days prior to the date each member is sworn into office; and

WHEREAS, State Statute in 705 ILCS 105/27.3(d) provides that in addition to the compensation provided by the County Board, the State shall provide an annual stipend in the amount of \$6,500 to the County Clerk, which shall not affect any other compensation provided by State Statute; and

WHEREAS, it is recommended that the salary for each year be as follows starting on the dates listed:

	<u>Current as of 12/1/25</u>	<u>12/1/26</u>	<u>12/1/27</u>	<u>12/1/28</u>	<u>12/1/29</u>
County Salary	\$101,069	\$104,606	\$108,267	\$112,057	\$115,979
Increase over prior year		3.5%	3.5%	3.5%	3.5%

THEREFORE BE IT RESOLVED, by the County Board that the salary of the County Clerk for the upcoming four-year term is hereby set as provided above.

BE IT FURTHER RESOLVED, that the County Clerk notify the County Board Office, Payroll, Finance, and the Human Resources Department of this action.

PASSED THIS 27th DAY OF AUGUST, 2025.

ATTEST:

Tazewell County Clerk

Tazewell County Board Chairman

COMMITTEE REPORT

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to establish the four (4) year salary for the County Clerk for the term from December 1, 2026 through November 30, 2030; and

WHEREAS, State Statute requires the County Board to set the salaries for countywide elected officials a minimum of 180 days prior to the date each member is sworn into office; and

WHEREAS, State Statute in 705 ILCS 105/27.3(d) provides that in addition to the compensation provided by the County Board, the State shall provide an annual stipend in the amount of \$6,500 to the County Clerk, which shall not affect any other compensation provided by State Statute; and

WHEREAS, it is recommended that the salary for each year be as follows starting on the dates listed:

	<u>Current as of 12/1/25</u>	<u>12/1/26</u>	<u>12/1/27</u>	<u>12/1/28</u>	<u>12/1/29</u>
County Salary	\$101,069	\$105,112	\$109,316	\$113,689	\$118,236
Increase over prior year		4%	4%	4%	4%

THEREFORE BE IT RESOLVED, by the County Board that the salary of the County Clerk for the upcoming four-year term is hereby set as provided above.

BE IT FURTHER RESOLVED, that the County Clerk notify the County Board Office, Payroll, Finance, and the Human Resources Department of this action.

PASSED THIS 27th DAY OF AUGUST, 2025.

ATTEST:

Tazewell County Clerk

Tazewell County Board Chairman

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to establish the four (4) year salary for the Treasurer for the term from December 1, 2026 through November 30, 2030; and

WHEREAS, State Statute requires the County Board to set the salaries for countywide elected officials a minimum of 180 days prior to the date each member is sworn into office; and

WHEREAS, State Statute in 705 ILCS 105/27.3(d) provides that in addition to the compensation provided by the County Board, the State shall provide an annual stipend in the amount of \$6,500 to the Treasurer, which shall not affect any other compensation provided by State Statute; and

WHEREAS, it is recommended that the salary for each year be as follows starting on the dates listed:

	<u>Current as of 12/1/25</u>	<u>12/1/26</u>	<u>12/1/27</u>	<u>12/1/28</u>	<u>12/1/29</u>
County Salary	\$99,198	\$102,174	\$105,239	\$108,397	\$111,649
Increase over prior year		3%	3%	3%	3%

THEREFORE BE IT RESOLVED, by the County Board that the salary of the Treasurer for the upcoming four-year term is hereby set as provided above.

BE IT FURTHER RESOLVED, that the County Clerk notify the County Board Office, Payroll, Finance, and the Human Resources Department of this action.

PASSED THIS 27th DAY OF AUGUST, 2025.

ATTEST:

Tazewell County Clerk

Tazewell County Board Chairman

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to establish the four (4) year salary for the Treasurer for the term from December 1, 2026 through November 30, 2030; and

WHEREAS, State Statute requires the County Board to set the salaries for countywide elected officials a minimum of 180 days prior to the date each member is sworn into office; and

WHEREAS, State Statute in 705 ILCS 105/27.3(d) provides that in addition to the compensation provided by the County Board, the State shall provide an annual stipend in the amount of \$6,500 to the Treasurer, which shall not affect any other compensation provided by State Statute; and

WHEREAS, it is recommended that the salary for each year be as follows starting on the dates listed:

	<u>Current as of 12/1/25</u>	<u>12/1/26</u>	<u>12/1/27</u>	<u>12/1/28</u>	<u>12/1/29</u>
County Salary	\$99,198	\$102,670	\$106,264	\$109,983	\$113,832
Increase over prior year		3.5%	3.5%	3.5%	3.5%

THEREFORE BE IT RESOLVED, by the County Board that the salary of the Treasurer for the upcoming four-year term is hereby set as provided above.

BE IT FURTHER RESOLVED, that the County Clerk notify the County Board Office, Payroll, Finance, and the Human Resources Department of this action.

PASSED THIS 27th DAY OF AUGUST, 2025.

ATTEST:

Tazewell County Clerk

Tazewell County Board Chairman

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to establish the four (4) year salary for the Treasurer for the term from December 1, 2026 through November 30, 2030; and

WHEREAS, State Statute requires the County Board to set the salaries for countywide elected officials a minimum of 180 days prior to the date each member is sworn into office; and

WHEREAS, State Statute in 705 ILCS 105/27.3(d) provides that in addition to the compensation provided by the County Board, the State shall provide an annual stipend in the amount of \$6,500 to the Treasurer, which shall not affect any other compensation provided by State Statute; and

WHEREAS, it is recommended that the salary for each year be as follows starting on the dates listed:

	<u>Current as of 12/1/25</u>	<u>12/1/26</u>	<u>12/1/27</u>	<u>12/1/28</u>	<u>12/1/29</u>
County Salary	\$99,198	\$103,166	\$107,293	\$111,585	\$116,048
Increase over prior year		4%	4%	4%	4%

THEREFORE BE IT RESOLVED, by the County Board that the salary of the Treasurer for the upcoming four-year term is hereby set as provided above.

BE IT FURTHER RESOLVED, that the County Clerk notify the County Board Office, Payroll, Finance, and the Human Resources Department of this action.

PASSED THIS 27th DAY OF AUGUST, 2025.

ATTEST:

Tazewell County Clerk

Tazewell County Board Chairman

COMMITTEE REPORT

HR-25-16

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

RESOLUTION

WHEREAS, the County's Human Resources Committee recognizes that the availability of wellness and preventative health benefits is on the rise in health insurance plans and can be effective with regard to early detection of diseases and chronic illness management; and

WHEREAS, the County has offered an annual Health Fair since 2008, during which employees can participate in a variety of health screenings and evaluations at no cost to the employee. Optional additional testing is offered at a reduced cost to the employee; and

WHEREAS, the 2025 Health Fair will be conducted by Thrive Wellness, Inc. at the fee structure outlined in the attached agreement resulting in an estimated cost of approximately \$20,000 to the County. Actual cost will be based on number of participating employees; and

WHEREAS, the 2025 Health Fair will be held on various dates throughout the month of October; and

WHEREAS, full-time, part-time and retired employees are eligible to participate. Retired employees must be enrolled in a current county medical plan. No dependents or spouses will be eligible to participate.

THEREFORE BE IT RESOLVED by the County Board that the Board authorizes participation by County employees in the Health Fair as an enhancement to the County's benefit package; and

BE IT FURTHER RESOLVED that the County Board approve the County Board Chairman or the County Administrator to sign said agreement.

BE IT FURTHER RESOLVED that the County's cost of participating in the Health Fair will be covered from the County's Health Internal Service Fund.

BE IT FURTHER RESOLVED that the County Clerk notifies the County Board Office, Thrive Wellness, Inc., the Finance Office, the Human Resources Office, and the Auditor of this action.

PASSED THIS 27th DAY OF AUGUST, 2025.

ATTEST:

County Clerk

County Board Chairman

Thrive Wellness Proposal, Fee Structure and Agreement

Thrive Wellness agrees to carry out the below elected services for Tazewell County for the 2025-2026 Wellness Program Year

Tazewell County			
Service	Service Overview	Fee for Service	Elected Service
Participant portal upload and ongoing administration	Initial upload of wellness participants and ongoing storage/maintenance of data.	\$.25 Per month, Per Active Participant	<input checked="" type="checkbox"/>
Health Screening / Know Your Number Health Risk Assessment <i>Thrive honoring 5% discount for new client incentive on screening fees. This discount will be applied to screening invoices.</i>	Health Screening to Include: Full venous blood draw with Lipid, CMP & CBC Panels. Biometric measurements to include: Height, weight, waist circumference, BMI, blood pressure. Know Your Number HRA with questioning pertaining to health habits & lifestyle with individual and aggregate reporting included.	\$100 for women & men <40 yrs old \$120 for men ≥ 40 yrs old (adding PSA test) Added optional blood chem testing: PSA - \$20 TSH - \$20 A1C - \$25 CRP - \$25 Vit D - \$25 Testosterone - \$25	<input checked="" type="checkbox"/>
Full Wellness Portal Integration (Option 2)	Includes overall custom wellness portal build and layout with desired program wellness components. Includes wellness program / incentive design, overall implementation / administration of the program, AND: Access to full library of e-learning modules & wellness videos Up to (2) wellness challenges Up to (4) wellness article activities	\$5000	<input type="checkbox"/>
A La Carte Wellness Challenges & Presentations	Any individual wellness challenge, wellness presentation or E-learning module topic.	\$750	<input type="checkbox"/>
Health Coaching	Non-directive counseling focusing on lifestyle behavior modification toward healthier habits. Call Cycle: Low risk (2 sessions), medium risk (4 sessions), High risk (6 sessions). Sessions generally last 10-15 minutes.	\$20 / session	<input type="checkbox"/>

- Tazewell County Agrees to the scope of services and associated fees outlined on page 1
- This is an annual contract which will begin when the agreement is signed by both parties for the 2025-2026 wellness program year.
- Annual auto-renewal will take place annually unless otherwise specified by either party.
- Either party may cancel this agreement or amend it with 90 days written notice.
- Payment for services is due 15 days from date of invoicing.
- Work on this project will begin immediately after both parties sign the agreement.

Thrive Wellness observes all HIPPA laws associated with managing PHI in every aspect of workplace wellness operations. All participant data is handled in a secure manner and protected in accordance with HIPPA laws and will never be shared with another party unless requested by the individual participant to do so.

Thrive Wellness
Wellness Provider

Tazewell County
Client Name

Signature

Signature

Robert Phillips – Owner / Wellness Director
Printed Name and Title

Printed Name and Title

Date

Date

COMMITTEE REPORT

HR-25-17

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to approve the renewal of group stop-loss coverage with Pareto Health; and

WHEREAS, Illinois State Statutes at 55 ILCS 5/5-1022 provide that the general requirement to competitively bid purchases in excess of \$30,000 does not apply to contracts which by their nature are not suitable to competitive bids pursuant to an ordinance adopted by the County Board; and

WHEREAS, attempts to obtain pricing through the competitive bidding process is not possible due to the disclosure of protected health information of members; and

WHEREAS, the cost of stop-loss coverage will increase by approximately 22.6% over the prior year's premium due to market increases and claims history; and

WHEREAS, the Wyman Group serves as the County's consultant for the County's health, dental and vision benefits plan; and

WHEREAS, the Wyman Group obtained renewal pricing from Pareto Health, who was selected in 2024 based on rates and not raising deductibles on individuals (lasers). It is recommended by the Wyman Group and HR to renew the agreement for the County's group stop-loss coverage for 10/1/2025 through 9/30/2026 through Pareto Health; and

WHEREAS, Pareto Health has partnerships with Health Joy telemedicine, Cancer Care, SmithRx and others providing free or discounted services through these partnerships; and

THEREFORE BE IT RESOLVED, the County Board approves these recommendations and authorizes the County Board Chairman to execute the agreements with Pareto Health; and

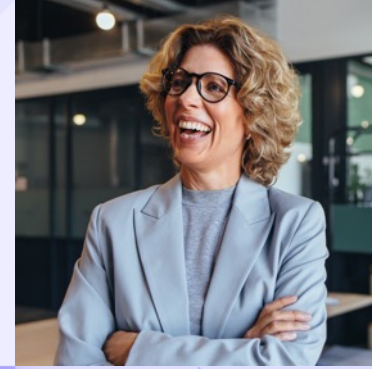
BE IT FURTHER RESOLVED that the County Clerk notifies the County Board Office, the Human Resources Department, the Finance Office and the Auditor of this action.

PASSED THIS 27th DAY OF AUGUST 2025

ATTEST:

County Clerk

County Board Chairman



Renewal Proposal

This is a proposal, not a formal offer of insurance or membership.

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Employer: **Tazewell County**

TPA: **Consociate, Inc.**

Network: **Aetna, Inc.**

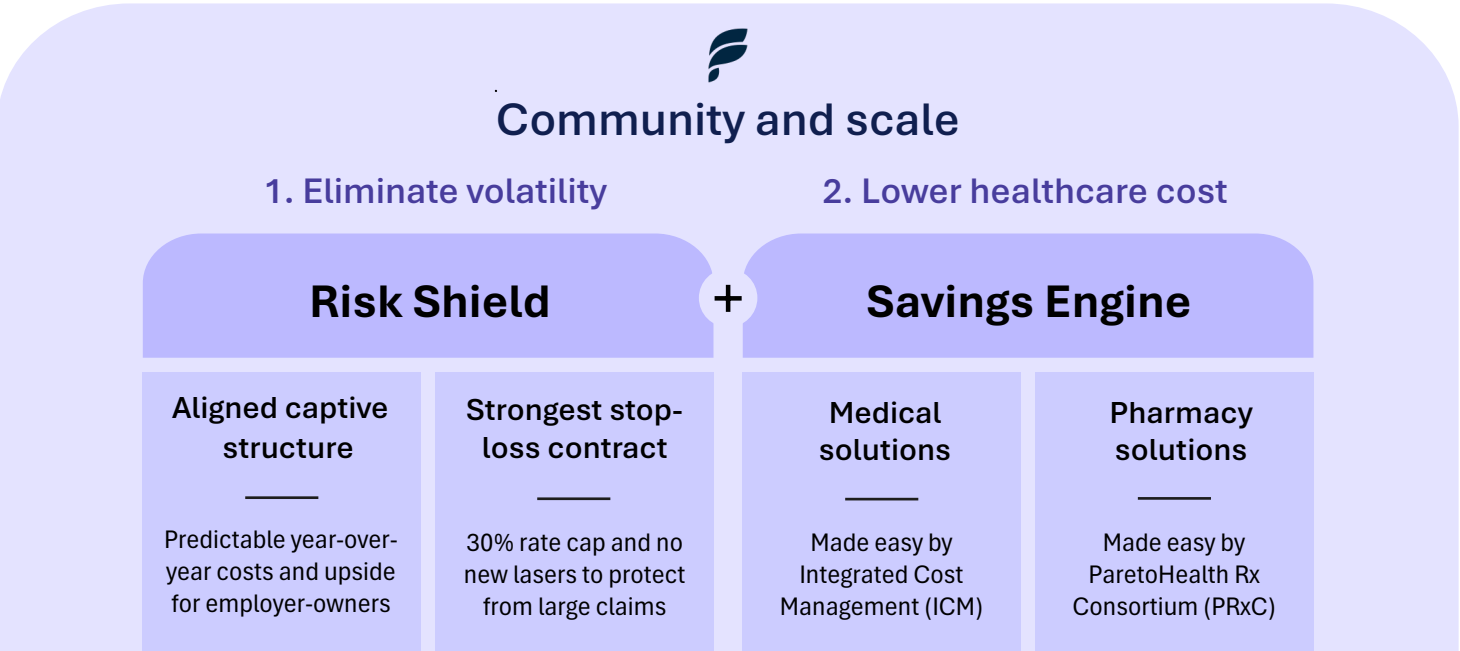
Policy Effective Date: **October 1, 2025**

Policy Expiration Date: **September 30, 2026**

Renewing with strength & strategy

Employers often face double-digit rate hikes and lasers with no control, transparency, or strategy. That’s why you joined Pareto—to take charge of your healthcare spend, reduce volatility, and secure long-term financial stability.

Your captive is more than just stop-loss coverage - it’s a **Risk Shield**, protecting you from market volatility, and a **Savings Engine** empowering you to actively manage and lower costs.



Your Paradigm Re captive experience

897 Employers in captive

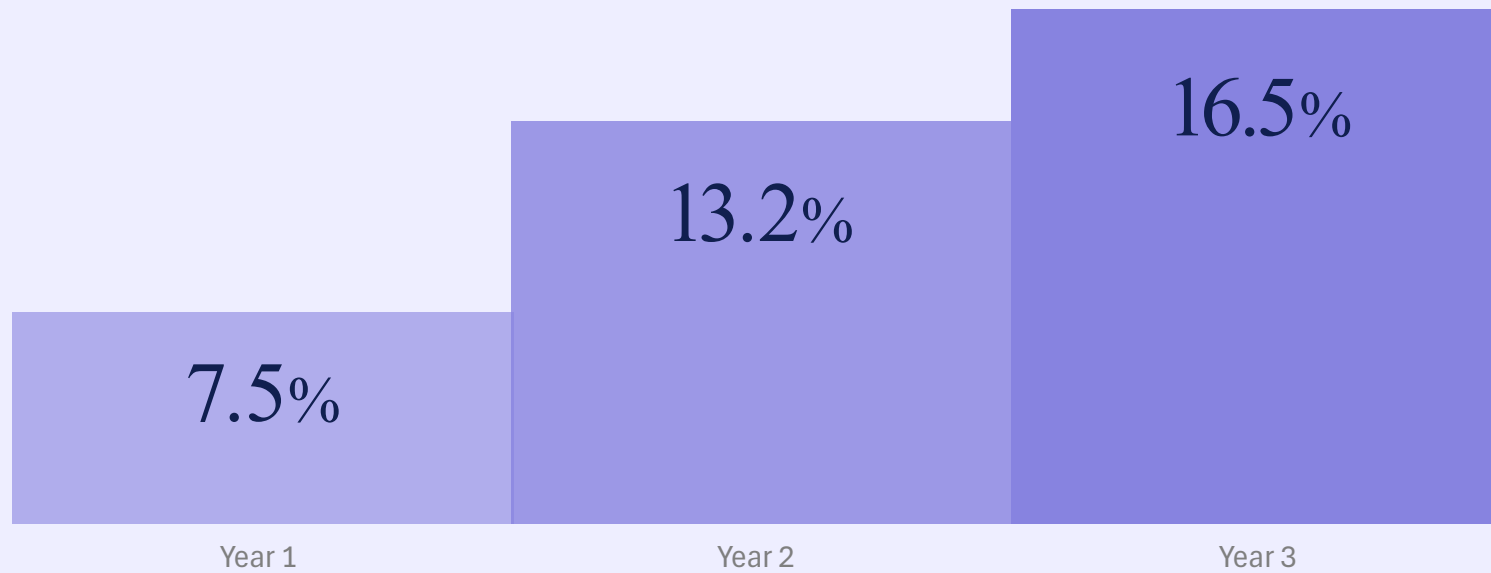
311k Total lives in captive

\$1.7B Stop-loss premium managed by Pareto

A proven solution for long-term savings and stability

3-YEAR LONGITUDINAL CLAIMS-BASED STUDY

Total Healthcare Savings with Pareto vs. Fully Insured Plans



96%

Retention

Source: ParetoHealth Claims-based Savings Study 2024

Integrated Cost Management (ICM) is a trusted ecosystem of medical solutions at low or no cost

Targeted solutions for specific health areas:

- ✓ Surgeries & imaging
- ✓ Cancer
- ✓ Neonatal intensive care
- ✓ Medicare/ACA enrollment
- ✓ Benefit compliance support
- ✓ Employee education & navigation
- ✓ Wellness
- ✓ Weight & GLP-1 cost management (**NEW**)
- ✓ Chronic kidney disease & dialysis (**NEW**)

You're enrolled in HealthJoy, CancerCare+

Integrated Cost Management is available for \$2 PEPM and requires a participating TPA

Medical solutions:



Pareto Rx Consortium (PRxC) leverages scale to secure the industry-leading terms and can drive an additional 15% savings

Reduce prescription drug costs:



Transparent, 100% pass-through contracts with partner pharmacy benefit managers (PBMs)



Accuracy and accountability with every pharmacy claim, backed by thorough performance audits



Pareto support for prior authorizations, large-claim reviews, and formulary management

You're enrolled in SmithRx

Source: ParetoHealth Book of Business Analysis

PRxC PBMs:



Only with Pareto...

Members' Meetings

ParetoHealth

2025 Members' Meetings

Legend Re
March 31-April 2



San Diego, CA
The Marriott Marquis San Diego Marina

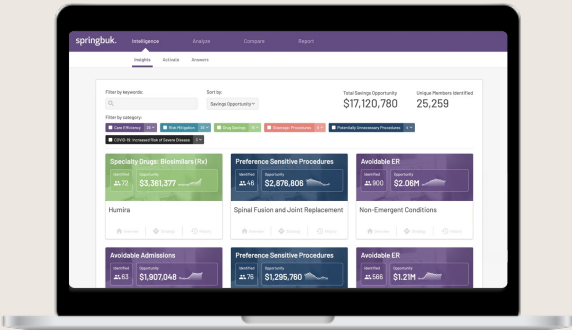
Paradigm Re
May 5-7



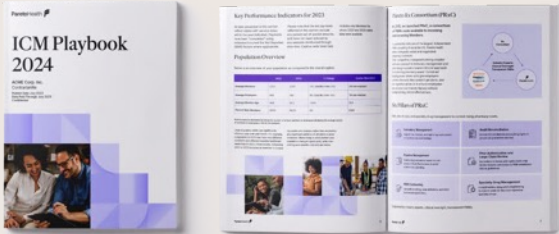
Colorado Springs, CO
The Broadmoor

Contrarian Re & StructuRe
May 7-9

Transparency into claims data



Playbooks



Educational sessions & webinars

ParetoHealth

How to Maximize Your Membership at ParetoHealth

Presented by Heather Underhill, Chief Customer Officer

Pareto Pathway

ParetoHealth Pathway
Your turnkey, long-term strategic plan

PREPARED FOR
Acme Inc.

TPA
Meritain

NETWORK
Aetna

2025

2026

2027

Activate

- Meritain TPA & mirror plan design
- Meritain Pharmacy Solutions through PIVC
- Springbuk (HSA)
- Integrated Cost Management to support insights and programs

Build

- Kick (imaging/surgery)
- SmartConnect (Medicare guidance)
- Weight/DLP-1 management solution
- CancerCare (oncology)

Capitalize

- HealthJoy (navigation)
- Narrow network (plan design)
- Spousal surcharge/exclusion (plan design)

Notional Capital Reports (NCRs)

ParetoHealth

Publish date: May 2025
Data updated through: Program year 2025

2025 Notional Capital Report

Acme Corp, Inc. / Legend Re 1.1

Captive Entry Dates: June 17, 2019
Program year 2022 gross written premium: \$583,648
2024 premium as % of overall captive risk premium: 2.8%

Total contributions

\$45,615

You have contributed \$45,615 to total capital to date.

Capital generated (Consumed)

\$....

Currently, there are no projected costs growth rates given the history of your captive membership. Projections will occur in future years.

Dividends paid (Program year 2025)

\$21,222

You have received \$21,222 in dividends to date as a result of stronger than anticipated capital growth.

Current balance (Program year 2025)

\$102,837

Your current capital balance in the captive is \$102,837. It has experienced a rate return of 20% over 5 years.

This report is not a tax form or filing, but an informational summary of your total contributed capital, percentage of membership, and your current capital in the captive.

During the first two years of membership in the captive, each group is obligated to contribute 10% of all claims to the captive. Depending on factors such as overall captive performance and interest rates, the captive may receive income. This capital will be used to various degrees of growth.

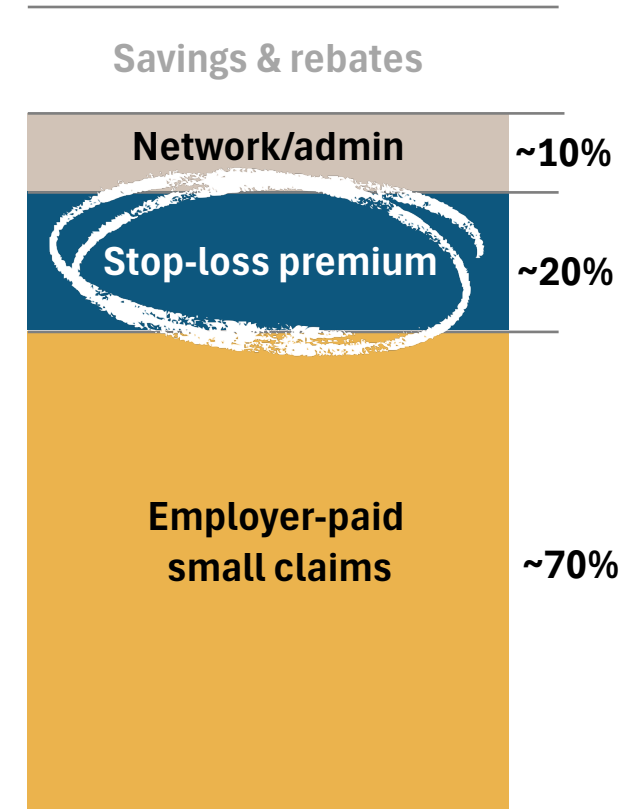
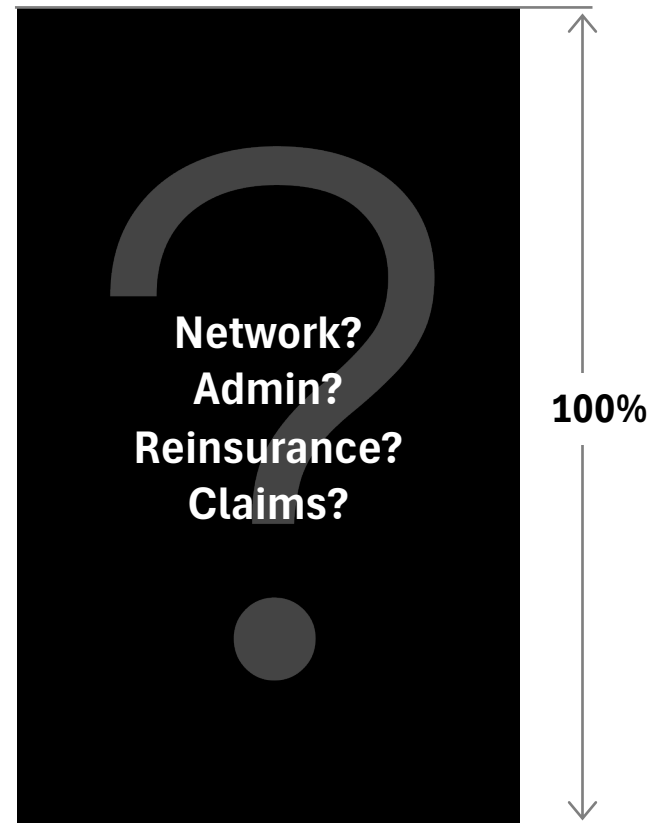
Your captive growth indicates that the captive is working as intended. Also, remember, the main purpose of capital is to reduce the volatility of your year-over-year health benefits spend. It is not designed to generate significant profits. Not in our problem to provide you with dividends. The reason why this is not our purpose is that in either of those two cases, it would indicate that the captive overcharges on the front end for benefits and provides a net proportion of the overcharge to the back end in the guise of dividends or reimbursements.

Unlike traditional insurance, Pareto empowers Members with transparency

Premium with fully insured

VS

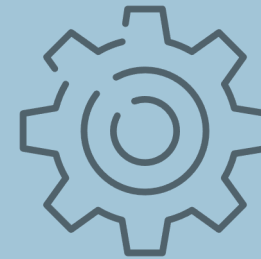
Transparency with ParetoHealth



ParetoHealth determines stop-loss premium renewal rates in a two-part process designed for stability

PART 1: Captive-wide analysis

- **Stop-loss carriers**
- **ParetoHealth**
- **Independent actuaries**



**Captive-wide
renewal**

PART 2: Member-specific analysis

- **Claims history**
- **MCCI survey**
- **Medical review**



**Member-specific
renewal**

YOUR MEMBER-SPECIFIC ANALYSIS

Claims history with Pareto

- First-year renewals for Members coming from Fully Insured are based on leveraged trend due to limited captive claims data.
- First-year renewals for Members coming from Self Insured will consider historical claims data.
- Since renewals are driven by claims experience, the last two full years carry the most weight.
- Current-year claims are still developing, so they are weighted less in renewal calculations.

Your loss ratios in Pareto:

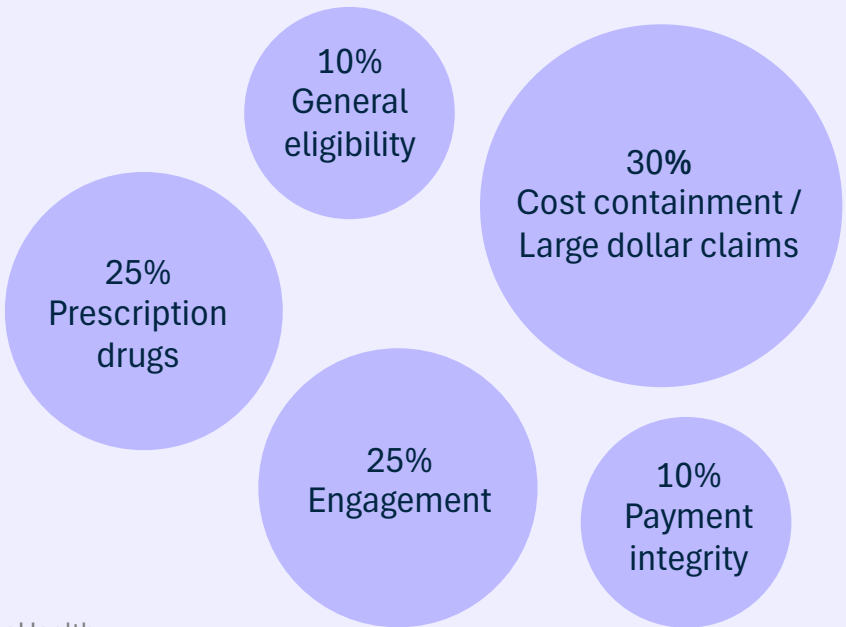
Current Year	0%
Prior Year	125%
2nd Prior Year	N/A

Inception to date	125%
<i>Not used in calculation. For reference only.</i>	

YOUR MEMBER-SPECIFIC ANALYSIS

Member Cost Containment Index (MCCI)

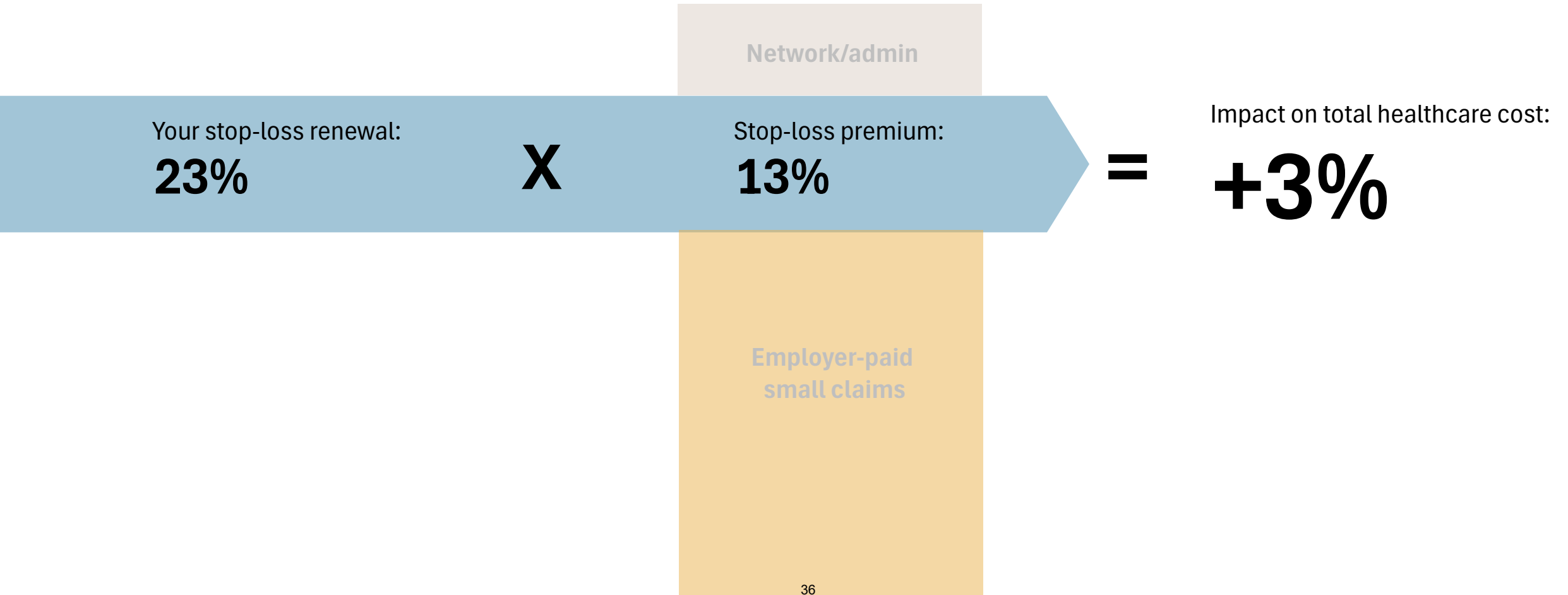
- MCCI measures how effectively your group manages healthcare costs.
- A lower score reflects stronger cost containment, engagement, and potential renewal advantages.



Your MCCI measures:

Absolute score <i>(lower is better)</i>	52.2
Comparative score	0.86
Quartile	Second
Referral credit	0%
Impact on renewal stop-loss premium	-1.77%

Remember this renewal is for the stop-loss portion, so your 23% renewal amounts to a 3% total healthcare cost increase



Detailed plan: Individual stop-loss coverage

		Current	Option 1
Annual Specific Deductible per individual		\$125,000	\$125,000
Except for (Laser)			
Contract Basis		24/12	Paid
Lifetime Reimbursement		Unlimited	Unlimited
Maximum Contract Period Reimbursements		Unlimited	Unlimited
Rate(s) Per Month	Enrollment		
Employee	183	\$165.85	\$203.33
Employee + Spouse	21	\$330.36	\$405.03
Employee + Child(ren)	26	\$292.38	\$358.47
Family	41	\$496.20	\$608.36
Composite	271		
Estimated Contract Period Premium		\$782,810	\$959,736
Rate(s) include commission of		0%	0%
Premium increase/decrease			22.60%

Calculating aggregate factors is a separate process

Aggregate stop-loss is used 1-2% of the time and provides "sleep-at-night protection" for unexpected claims volatility. Aggregate factors simply establish an outer limit for claims.

Aggregate factors take into account:

- Preceding 18-24 months of aggregate claims
- Claims lag
- Unexpected, recent large claims
- Ongoing large claims

+

25%
corridor

**Member's
attachment point**

Detailed plan: Aggregate stop-loss coverage

		Current	Option 1
Contract Basis		24/12	Paid
Loss Limit Per Individual		\$125,000	\$125,000
Maximum Contract Reimbursement		\$1,000,000	\$1,000,000
Rate Per Month	Enrollment		
Composite	271	\$8.88	\$10.89
Monthly Accommodation Rate Per Employee (if applicable)			
Agg Rate Increase/Decrease			22.64%
Monthly Aggregate Claim Factors	Enrollment		
Employee	183	\$1,237.70	\$1,361.50
Employee + Spouse	21	\$2,465.48	\$2,712.10
Employee + Child(ren)	26	\$2,182.04	\$2,400.33
Family	41	\$3,703.17	\$4,073.60
Composite	271		
Annual Aggregate Deductible		\$5,842,046	\$6,426,417
Aggregate Attachment Increase/Decrease			10.00%

Overall Renewal Summary

	Current	Option 1
Total Annual Fixed Costs	\$811,688	\$995,150
Specific Variable (if applicable)	\$0	\$0
Aggregate Variable	\$5,842,046	\$6,426,417
Maximum Annual Liability	\$6,653,734	\$7,421,568
Total Fixed Cost Increase/Decrease		22.60%
Aggregate Variable Increase/Decrease		10.00%
Maximum Liability Increase/Decrease		11.54%
Estimated Capital to be Invoiced		\$0

Additional Contingencies

Contingent upon final approval from ParetoHealth and effective for 30 days after being issued

Based on claims data through 4/30/2025

Final Carrier quote will be issued with confirmation of ParetoHealth Renewal Terms

ICM fee is \$2 PEPM billed through Pareto

Locking in your renewal

Renewal deadline: 30 days from date of issuance*

Next steps:

1. Review your renewal terms & reach out with any final questions
2. Finalize and sign your carrier renewal proposal

Advantages of renewing with ParetoHealth:

- Your risk is managed and budgets are more predictable.
- You gain access to cost containment solutions and best-in-class terms that aren't available anywhere else.
- You stay on track with a long-term strategy for savings.
- You have industry-leading protections including no new lasers and a 30% rate cap.