



Board Letter

Agenda Date: November 25, 2025

Agenda #: 7

Authorization to ratify 2025 health insurance cost and the purchase of coverages for employee health insurance benefits for 2026 and 2027.

Presenter: Mary Howard, Chief Administrative & Resident Services Officer

Recommendation

The Operating Chairman of the Chicago Housing Authority ("CHA") recommends that the CHA Board of Commissioners ("Board") approves the allocation of funding for CHA's employee health insurance benefits: (1) a 17.4% increase of \$2,015,600 over the approved 2025 benefits amount of \$11,822,805 for a new Option Year 2 total of \$13,838,405; (2) a 16.7% increase of \$2,040,167, over the approved 2026 benefits amount of \$12,239,395, for a new Option Year 3 total of \$14,279,562; and (3) an increase of \$1,148,635 over the approved 2027 benefits amount of \$12,851,365, for a new Option Year 4, final option year, total of \$14,000,000.

Summary

YEAR	APPROVED AMOUNT	RECOMMENDED AMOUNT
2023 (Base Term)	\$10,572,850.00	
2024 (Option Year 1)	\$11,101,493.00	
2025 (Option Year 2)	\$11,822,805.00	\$13,838,405.00
2026 (Option Year 3)	\$12,239,395.00	\$14,279,562.00
2027 (Option year 4)	\$12,851,365.00	\$14,000,000.00

Background

Option Year 2: The 17.4% increase for 2025 in the amount of \$2,015,600 is due to the unanticipated spike in health benefits and expanded personnel that were not in place when the 2025 budget was set in 2024.

Option Year 3: The 16.7% increase for 2026 in the amount of \$2,040,167 reflects CHA's current headcount, turnover, the rising cost of medical coverage, and benefit usage. The impact of rising cost can be seen in the increased medical premium of \$12,686,095, which amount is offset by employee contributions of \$849,677 (6.7%), resulting in the net actual cost to CHA of \$11,836,418.

Coverage	Recommended Insurer	2026 Recommendations
Medical	Blue-Cross Blue Shield	\$12,686,095
Dental	Blue-Cross Blue Shield	\$591,218
Vision	Blue-Cross Blue Shield	\$57,990
Retiree & Separations: Medical, Dental	Blue-Cross Blue Shield	\$160,000
Life and AD&D	MetLife	\$229,821
Short-Term Disability	MetLife	\$240,521
Long-Term Disability	MetLife	\$81,571
Long-Term Care	Unum	\$86,000
Flex Spending	Ameriflex	\$26,225
Employee Assistance	Perspectives	\$8,686
COBRA Administration	Flexible Benefits	\$5,000
Health Savings Plan (administrative)	Empower/Optum	\$6,435
Wellness Programs	Various Providers	\$100,000
Total Premiums		\$14,279,562

The benefits that have impacted the 2026 cost are:

Blue Cross Blue Shield: Medical +13.8% and Dental +8% renewals

- The medical renewal of 13.8% is significantly down from last year's renewal of 21.1%.
- The dental renewal this year is at 8% down from 24.8% last year.

MetLife: Vision 4% and Rate Pass for other Coverages

- Vision renewal is 4% same as prior year.
- Life insurance and AD&D, short-term and long-term disability, had no increase to renewal rates.
- Benefit usage; however, has driven up the number of claims, which has increased the overall cost.

Option Year 4; Final Option Year

- In anticipation of a change to the PPO plan and an increase of HDHP participants to offset increasing costs, we anticipate that the amount in 2027 will be in line with or less than 2026.

Respectfully Submitted:



Matthew Brewer
Operating Chairman

RESOLUTION NO. 2025-CHA-53

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated November 25, 2025, entitled "Authorization to ratify 2025 health insurance cost and the purchase of coverages for employee health insurance benefits for 2026 and 2027":

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

THAT, The Board of Commissioners hereby approves the allocation of funding for CHA's employee health insurance benefits: (1) an increase for 2025 funding of 17.4% over Option Year 2 of \$2,1015,600, for a total of \$13,838,405; (2) an increase for 2026 funding of 16.7%, over Option Year 3 of \$12,239,395, for a total of \$14,279,562; and (3) an increase for 2027 funding over Option Year 4, the fourth and final option year of \$12,851,365 for a total of \$14,000,000.

Year	Amount
2023 (Base Term)	\$10,572,850
2024 (Option Year 1)	\$11,101,493
2025 (Option Year 2) Revised	\$13,838,405
2026 (Option Year 3) Revised	\$14,279,562
2027 (Option Year 4) Revised	\$14,000,000

This award is not subject to compliance with the CHA's Diversity goals.




James Matanky
Vice Chairman
Chicago Housing Authority