

February 2026 Quarterly Meeting Summary

On Wednesday, February 4, 2026, SCHOOLCARE's leadership team held the first of its Quarterly Membership Meetings. SCHOOLCARE's members own the pool and it's the board and staff's long-held belief that its membership deserves straightforward information and shared understanding of what is known today, what's coming next and what decisions need to be made. The meeting agenda included a review of current financials and operations; claims trends; the latest on payment of the assessment issued on October 1, 2025; member engagement highlights and current renewals; and a look at what's next. In her opening remarks, SCHOOLCARE Executive Director Lisa Duquette also provided a leadership update to acknowledge the retirement of Jeff Kantorowski, and resignation of Associate Executive Director Melissa Perreault, both of which occurred at the end of December 2025.

A recording of the meeting is available here: <https://youtu.be/0Pr0uGJWqCw>

FINANCIAL UPDATE

SCHOOLCARE's June 30, 2025, financial audit was completed and finalized in January, and accepted by the Board of Directors on February 2, 2026. The audit process was paused in November and December driven by the need to confirm assessment payment status and to ensure there was clarity and confidence in the path forward for SCHOOLCARE.

Ms. Duquette provided an overview of financial performance comparing three years of audited financials – as of June 30, 2025, 2024 and 2023 – with a mid-year checkpoint as of December 31, 2025 (unaudited and prepared by management).

The key takeaways Ms. Duquette noted were SCHOOLCARE's net position over the most recent three year period and its contingency reserve rebuild.

Ms. Duquette highlighted FY2024 and FY2025 where both years operated at a loss – most significantly in FY2025, which reflected a loss of about \$27.3 million from operations, and \$25.1 million negative change in

net position after non-operating revenue.

As a direct result of the \$30 million contribution assessment, the FY2026 mid-year estimated results reflect an operating gain of \$31.8 million, and a \$32.3 million improvement in net position.

Net position is an important measure of financial strength, and a reminder of the responsibility SCHOOLCARE has to maintain adequate contingency reserves to protect the pool and meet obligations.

The actuarial recommended rate is to have a 12.9% net position as a percentage of contributions. As of June 30, 2025 this was -2%. With the corrective action taken through the contribution assessment, the net position as a percentage of contributions has improved to an estimated 10.4% (a 12.4% gain in a six-month period).

SCHOOLCARE's focus remains on continuing to rebuild financial strength. This is expected to be accomplished through contribution rates beginning with July 1, 2026.

CLAIMS DRIVERS

Claims remain the primary driver of cost in a pool and Ms. Duquette said it's the area we must remain most clear-eyed.

Some key highlights show:

- FY2025 medical claims run-out came in about \$548,000 below actuarial projections.
- The first six months of FY2026 medical costs are running at 101.2% of projected

- Specialty medications continue to be a major driver – 23.1% increase in spend.
- High-cost claimants continue to rise – claims over \$75,000 increased 38.9% in number of claimants, and spend increased 23.6%

Key takeaway: Even when overall claims run above projections, there are offsetting actions underway to reduce the net impact.

CONTRIBUTION ASSESSMENT UPDATE

SCHOOLCARE recognizes this unexpected assessment has been difficult for Member Groups, but Ms. Duquette highlighted its importance for fairness across membership. SCHOOLCARE's commitment remains to apply the assessment consistently, protect the integrity of the pool, and continue to work toward full participation in a fair and predictable way.

As of January 31, 2026, the payment of the contribution assessment is as follows:

- Just over \$18 million of the \$30 million in assessment contributions have been paid
- 67 Member Groups have paid in full
- 21 Member Groups have paid at least 1/3 of their assessment with the remainder due no later than July 15, 2026
- 2 groups have paid nothing and have not entered into an agreement (representing about \$3 million of the total payment)

MEMBERSHIP ENGAGEMENT UPDATE

Mandy Grenier, Director of Member Engagement, provided a review of ways SCHOOLCARE has been even more intentional this year about being present, accessible and responsive. She also provided an important leadership update.

All Member Meetings

SCHOOLCARE has focused on open, accessible forums for dialogue, including multiple all-member meetings, a town hall, two public rate-setting hearings, and the annual meeting, which achieved the highest attendance to date with 130 participants. These forums were designed to promote transparency, answer questions directly, and help members understand what was happening and why.

Individual Member Meetings

There has also been a focus on strengthening individual and group-specific engagement through one-on-one and small-group meetings with more than 30 individual member meetings focusing on claims data, utilization trends, and cost drivers. Additionally, SCHOOLCARE continues to meet with employees to explain benefits, host EAP seminars, and deliver wellness workshops to support engagement with the new well-being platform and encourage preventive care.

Well-Being Recharge

The Well-Being Recharge, which includes both an educational component along with an optional statewide steps challenge, is live right now, and as of Wednesday morning had engaged 567 participants on 157 teams. Collectively at that time, participants had logged more than 8.4 million steps (nearly 5,000 miles).

SCHOOLCARE 65+ Open Enrollment

In October, SCHOOLCARE held seven open enrollment meetings for participants on the SCHOOLCARE 65+

Medicare plans, reaching 386 individuals, not counting the many interactions via phone or in-office visits. These meetings and conversations help retirees not only understand their plans to make a choice that is best for them, but also demonstrate SCHOOLCARE's commitment to education, support of Member Groups employees and investment in long-term health outcomes.

Healthy Workforce Designation.

Ms. Grenier also highlighted SCHOOLCARE's recent recognition as a Gold Level recipient of Cigna's Healthy Workforce Designation. This is the highest level available and reflects a commitment to helping employees be healthier, more productive and engaged.

Membership Renewals

As of February 4, 2026, **87 Member Groups (~94% of membership) have returned renewal forms** for 2026-27. SCHOOLCARE truly values the trust its Member Groups have placed in the organization, and this outcome is a result of working together every step of these last several months. It shows the importance of staying engaged, asking questions and sharing your insight.

Leadership News

After more than 30 years in pooling leadership and 20 years of dedicated service to SCHOOLCARE, **Lisa Duquette has a planned retirement date of June 30, 2026.** The Board of Directors has created an ad hoc committee and a **nationwide search** will be conducted by a to-be-determined search firm, **beginning February 16th.** The Board is taking a thoughtful, intentional approach to the transition – keeping members at the center and supporting stability.

SCHOOLCARE's mission, values, and commitment to you remain the same. **We look forward to connecting at the next quarterly meeting on May 14, 2026.**