D.C. Everest Area School District

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Dr. Kelley Strike
Assistant Superintendent of Operations

MISSION STATEMENT
D.C. Everest Area School District, in partnership with the community, is committed to being an innovative educational leader in developing knowledgeable, productive, caring, creative, responsible individuals prepared to meet the challenges of an ever-changing global society.

TO: Dr. Casey Nye, Superintendent
FROM: Dr. Kelley Strike, Assistant Superintendent of Operations
DATE: September 16, 2026
SUBJECT: Health Insurance Renewal for 2027

As the District prepares for the 2027 health insurance plan year, Administration is recommending renewal with Aspirus Health Plan. The recommended renewal reflects a thorough review of the District's claims experience, available alternatives through the bid process, projected costs, employee feedback, and the long-term sustainability of the District's health insurance program.

Renewal Recommendation

Administration is recommending renewal with Aspirus Health Plan for the 2027 plan year with an overall 19.1% increase in premiums. While this remains a significant increase, the final renewal represents a substantial improvement from the 32% increase initially proposed by Aspirus Health Plan.

Plan Design and Contribution Changes

In addition to the premium increase, the plan design and employee contribution structure will change for 2027. The primary changes include:

- Single deductible: increases from $3,400 to $4,000
- Family deductible: increases from $6,800 to $8,000
- Coinsurance: 10% coinsurance will apply after the deductible, subject to applicable plan limits
    - Coinsurance maximum: $5,000 single / $10,000 family
    - Maximum out-of-pocket: $6,000 single / $12,000 family, after applicable copays

Employer HSA Contribution

Recognizing that the plan design changes will increase the potential out-of-pocket costs for employees, the Administration carefully considered options to help offset this impact.

After consultation with our broker, a review of strategies and plan design among regional school districts, and feedback from staff, the District will provide an employer HSA contribution of $1,000 for employees enrolled in single coverage and $2,000 for employees enrolled in family coverage. The HSA contribution provides a direct benefit to employees and will help offset the higher deductible and other eligible out-of-pocket healthcare expenses. Administration believes the HSA is a familiar and easy-to-understand benefit for employees and provides employees with flexibility in how they use the funds. This is an increase from the $100 employer contribution in 2026.

This approach allows the District to provide meaningful financial support to employees while maintaining the $0 employee premium contribution for the Signature (narrow) network plan for full-time employees, which staff have identified as an important benefit priority.

Employee Contributions for Less-than-Full-Time Employees

The District will also make an adjustment to the employee contribution structure for less-than-full-time employees.

For single coverage, the existing employee contribution will continue to be capped at 17.5% of the premium.

For family coverage under the Signature (narrow) plan, the employee contribution will be capped at 30% of the premium for employees working less than 1.0 FTE. This provides a defined maximum employee contribution while recognizing the District's ongoing commitment to providing access to the same health insurance options for part-time employees.

Administration believes this adjustment provides a reasonable balance between the District's cost responsibility and the employee contribution for less than 1.0 FTE employees.

Recommendation:

Administration recommends that the Board approve renewal with Aspirus Health Plan for the 2027 plan year, including:

1. An overall 19.1% premium increase that includes the above noted changes to deductibles, coinsurance, and maximum out-of-pocket amounts;
2. An employer HSA contribution of $1,000 for single coverage and $2,000 for family coverage;
3. A 30% employee premium contribution cap for family coverage under the Signature plan for employees working less than 1.0 FTE, while maintaining the existing 17.5% cap for single coverage. No changes to the employee contributions for Freedom plan and maintaining 0% premium for 1.0 FTE for the Signature network;
4. Continued evaluation of alternative health insurance strategies, including the potential transition to a self-funded model in the future.