

MEDICAL INSURANCE

SELF FUNDED ADMINISTRATOR 2026-2028, BUDGET RATES FOR 2026-2027

The District is in the final year of a two-year agreement with BlueCross BlueShield of MN for the District's medical insurance. In accordance with the Minnesota Statute Health Insurance Transparency Act (HITA), the District took the health insurance plan (stop loss insurance, fixed costs and management of claims) out to bid. The District Insurance Committee, made up of members of each bargaining unit and administrators, reviewed the proposals and recommended accepting the two-year BlueCross BlueShield proposal effective July 1, 2026. Compared to other proposals, the BlueCross BlueShield proposal provides a greater savings for the two-year period as the fixed cost are guaranteed for the 2 years with no increase for July 1, 2027.

The District determines the budget rates for the self-funded health plan each year. The Insurance Committee has evaluated the utilization data, consulted with the District insurance brokers and considered options regarding the utilization of the District Self-Insured Health Fund reserve balance. The June 30, 2024 audit concluded the reserve balance of the Self-Insurance Health Fund (Internal Service Fund) was \$3.8 million; a decrease of \$1.3 million from the previous year. The full balance is not considered for usage as the District strives to maintain a reserve amount and the audited amount from June 2024 does not reflect the expenses incurred since. The final recommendation is for an overall budget rate increase of 10.4%, utilizing zero dollars of the Self-Insurance Health Fund reserve balance.

In addition, the Insurance Committee is recommending a change in the HSA Health plan to increase the deductible from \$3,300 Single/\$6,600 Family to \$3,400 Single/\$6,800 Family. This change is needed to maintain the embedded deductible status as required under IRS regulations.

Copay plan (all groups), overall budget rate increase of 10.4%

	2025-2026	2026-2027
Coverage Type	Budget Rates	Budget Rates
Single Coverage	\$1,036.57	\$1,125.22
Family Coverage	\$2,819.20	\$3,156.42

Nutrition Services VEBA plan (Nutrition Services), overall budget rate increase of 9.7%

	2025-2026	2026-2027
Coverage Type	Budget Rates	Budget Rates
Single Coverage	\$923.77	\$997.33
Family Coverage	\$2,512.86	\$2,810.00

Teacher VEBA plan (Teachers), overall budget rate increase of 10.7%

	2025-2026	2026-2027
Coverage Type	Budget Rates	Budget Rates
Single Coverage	\$848.49	\$912.26
Family Coverage	\$2,312.05	\$2,583.07

HSA plan (Behavior Intervention Specialists, Clerical, Custodian/Drivers, Education Assistants, Licensed Nurse Practitioners, Non-Units, Paraprofessional and Principals), overall budget rate increase of 9.9%

	2025-2026	2026-2027
Coverage Type	Budget Rates	Budget Rates
Single Coverage	\$782.19	\$837.73
Family Coverage	\$2,140.60	\$2,389.73

ACA plan (all groups), overall budget rate increase of 9.1%

	2025-2026	2026-2027
Coverage Type	Budget Rates	Budget Rates
Single Coverage	\$625.60	\$660.79
Family Coverage	\$1,722.84	\$1,917.62

Therefore, the Director of Human Resources recommends the following resolution:

BE IT RESOLVED by the School Board of Independent School District No. 622 that BlueCross BlueShield be the self-funding administrator for the period July 1, 2026 through June 30, 2028, there be an overall 10.4% increase to the current budget rates for the period July 1, 2026 through June 30, 2027 and the HSA health plan deductible increases effective July 1, 2026.

MOTION:

SECOND: