



Board Meeting Date: 11/4/2024

Title: Medical Insurance Provider Change - 2025

Type: Consent

Presenter(s): Sonya Sailer, Executive Director of Human Resources; and Mert Woodard, Director of Finance & Operations

Description: In accordance with state law, the District solicited requests for proposal from medical insurance providers for non-teacher employees of the District. The District received proposals from three different providers, including the current provider. The District administration and the Districts Insurance Advisory Committee has reviewed all of the proposals in detail with its benefits consultant and believes that moving to Blue Cross Blue Shield (BCBS), effective January 1, 2025, is in the best interest of the District and all affected employees.

The plan design offered by BCBS will result in an overall average increase to premiums for calendar year 2025 of 22.95% for the three plans offered in previous years, with a maximum rate increase of 12.00% for calendar year 2026 and 15.00% for calendar year 2027. A fourth, high-deductible plan has been added effective January 1, 2025, offering an additional option for staff.

All employees enrolled in the BCBS plan will be part of the same “open access” network, which provides the greatest level of physician and clinic choice to employees and their dependents.

Health insurance offers must not exceed two years unless the exclusive representative of the largest bargaining unit and the employer reach a different agreement. The Paraprofessional group is the largest bargaining unit among the District's non-teacher health plans. The District received a three-year proposal that provides greater financial stability than the two-year offers, and the Paraprofessional unit has consented to it. Consequently, both the District and the Paraprofessional unit have agreed to extend the upcoming request for proposals cycle to January 1, 2028, as documented in the attached Memorandum of Agreement.

Recommendation: Authorize the Director of Finance & Operations to execute all agreements necessary to establish Blue Cross Blue Shield as the medical insurance provider for the District's non-teacher employee groups, effective January 1, 2025.

Desired Outcomes from the Board: N/A

Attachments:

1. Blue Cross Blue Shield Rates – CY2025
2. Memorandum of Agreement – Extension of RFP Cycle for Health Insurance Proposals