

SUBJECT: Consideration and possible action regarding the superintendent's recommendations related to the district's self-funded medical plan, including but not limited to medical premiums and pharmacy deductibles for January 2027, through August 2027.

BACKGROUND: In response to stakeholder feedback, the superintendent and district's Insurance Committee have identified four options related to the self-funded medical plan for the board's consideration and possible action. All recommended options maintain 2026 plan coverage but are limited to January 1, 2027, through August 31, 2027. The recommended options are:

- **Option 1:** No Change to Medical Premiums
- **Option 2:** 10% Increase to Medical Premiums
- **Option 3:** 25% Increase to Medical Premiums
- **Option 4:** Pharmacy Plan deductible change:
 - Increase from \$200 to \$500 per Individual
 - Increase from \$400 to \$1000 Maximum

Staff members have been notified of these four options proposed via email on September 29, 2026. The administration is continuing to explore available options, and the superintendent anticipates presenting a recommendation to the board concerning health insurance post-August 2027, by the end of the 2026 calendar year.

FINANCIAL IMPLICATIONS: Estimated health fund deficits for each option which are currently covered by the district for overages due to increasing costs of medical claims:

- **Option 1:** \$23.4 M (difference of \$0)
- **Option 2:** \$21.93 M (difference of \$1.47 M)
- **Option 3:** \$19.12 M (difference of \$4.28 M)
- **Option 4:** \$20.9 M (difference of \$2.5 M)

RECOMMENDATION: Action to approve the superintendent's recommendations concerning self-funded medical plan medical premiums and pharmacy deductibles for January 2027 through August 2027.

CABINET MEMBER(s): Bobbye McCain

CONTACT PERSON(s): Bobbye McCain

BOARD MEETING DATE: October 7, 2026