



## Decatur Independent School District

Board of Trustees Agenda Item

**To:** Board of Trustees  
**From:** Taylor Williams  
**Subject:** 2025-2026 Employee Medical Insurance Renewal  
**Meeting Date:** June 16, 2025  
**Type of Item:**  Information  Presentation  Consent Agenda  Discussion  Action  
**Supporting Documents:**  Yes  No

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### Background Information and Rationale:

For the 2023-2024 school year, the Decatur ISD left TRS-ActivCare employee medical insurance provided through the Texas Teacher Retirement System. The District joined the Texas Schools Health Benefits Program (TSHBP). In an effort to apparently receive better rates and/or benefits, for 2024-2025 the District procured employee medical insurance under the TSHBP with Blue Cross Blue Schield (BCBS) with the assistance of Higginbotham Public Sector insurance. Higginbotham is the administrator selected by the TSHBP to procure quotes and administer the benefits of the program.

Apparently a negotiation of the 2024-2025 procurement was that generally BCBS could not increase rates greater than 12.5% if the agreement was renewed for 2025-2026. The rate cap is not extended to any future periods, 2026-2027 or beyond, and contingent on any change in benefits requested, additional procurement of the program, commission changes, employee contribution changing by more than 10% from the current arrangement, state tax changes or fees, or government mandated benefit enhancements.

According to the TSHBP programs administrator, DISD had a high usage year which, without the rate cap of 12.5%, would have resulted in much higher rates. Therefore that administrator has recommended the following rates at an approximate 12.5% increase:

The detail of the rates and other assumptions are attached. However, a summary is as follows:  
The Board should be aware, specific to employee medical insurance:

- (1) If the 2025-2026 usage is higher, the costs of medical insurance may significantly increase in future years.
- (2) The District left TRS ActiveCare in 2023-2024 and cannot re-join the program without a break in time. Under current rules, the District cannot re-join until 2028-2029 due to a five-year required "out-period". Therefore, 23-24, 24-25, 25-26, 26-27, and 27-28 will require the District to acquire non-TRS employee medical unless the law changes.
- (3) Procuring medical insurance requires expertise most likely not available at the District level. For future procurements, the District may want to procure a separate agent of record with medical insurance expertise.
- (4) Procuring medical insurance requires regulated benefit levels.
- (5) Procuring medical insurance is extremely time intensive.
- (6) While rates on this projection as attached are capped, the rates may change based on potential criteria (see attached).



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<b>Decatur Independent School District</b> Prospective Premium Projection for the period of September 1, 2025 - August 31, 2026 <b>RATE DEVELOPMENT</b>						
Plan Name	HMO 2000		HMO 5000		HSA 3500	
	Blue Essentials		Blue Essentials		Blue Choice PPO	
Network	In		In		In	Out
Coinsurance	90%		70%		80%	50%
Deductible Ind/Fam	\$2,000/\$6,000		\$5,000/\$10,000		\$3,500/\$10,500	\$8,000/\$24,000
Out of Pocket Ind/Fam	\$6,000/\$18,000		\$9100/\$18,200		\$8050/\$16,100	\$16,000/\$48,000
Office Visit Copay/ Specialist Copay	\$45/\$70		\$45/\$70		80%	50%
Hospital Inpatient	90%		70%		80%	50%
Additional Deductible Per Admission	\$500		\$500			
Hospital Outpatient	90%		70%		80%	50%
Emergency Room	90%/\$500		70%/\$500		80%/\$0	80%/\$0
Lab	90%		70%		80%	50%
X-Ray	90%		70%		80%	50%
Complex Imaging	90%		70%		80%	50%
Rx Deductible	\$200/\$400		\$250/\$500		Integrated w/Medical	
Rx Out-of-Pocket Maximum	Integrated w/Medical		Integrated w/Medical		Integrated w/Medical	
Rx Copay / Coinsurance (Tier 1/2/3/4/5/6)						
Rx Copay / Coinsurance Mail Order (Tier 1)						
Rx Formulary (Drug List)	Performance		Performance		Performance	
<b>HCSC Primary (Enrollment)</b>						
Single	81		134		69	
Single + Spouse	2		3		2	
Single + Child(ren)	23		46		15	
Family	7		2		1	
<b>Medicare Primary (Enrollment)</b>						
Single	0		0		0	
Family	0		0		0	
HCSC & Medicare Total	113		185		87	
	<b>Current</b>	<b>Renewal</b>	<b>Current</b>	<b>Renewal</b>	<b>Current</b>	<b>Renewal</b>
<b>HCSC Primary</b>						
Single	\$471.19	\$530.09	\$391.88	\$440.87	\$466.53	\$524.85
Single + Spouse	\$1,289.55	\$1,450.74	\$1,072.49	\$1,206.55	\$1,276.77	\$1,436.37
Single + Child(ren)	\$881.62	\$991.82	\$733.24	\$824.90	\$872.89	\$982.00
Family	\$1,684.47	\$1,895.03	\$1,400.94	\$1,576.06	\$1,667.79	\$1,876.26
<b>Medicare Primary</b>						
Single	\$471.19	\$530.09	\$391.88	\$440.87	\$466.53	\$524.85
Family	\$1,684.47	\$1,895.03	\$1,400.94	\$1,576.06	\$1,667.79	\$1,876.26
<b>Premium at Current Rates</b>		<b>\$873,768</b>		<b>\$1,107,124</b>		<b>\$594,056</b>
<b>Suggested Rate Action</b>		<b>12.5%</b>		<b>12.5%</b>		<b>12.5%</b>
<b>Suggested Premium at Renewal Rates</b>		<b>\$982,990</b>		<b>\$1,245,514</b>		<b>\$668,313</b>

The renewal monthly rates are listed as renewal rates in the schedule above.

**Support of Strategic Goals:**

Goal 4 – DISD manages funds and resources responsibly and transparently to maximize return on the community investment.

**Fiscal Implication:**

The District has not determined the contribution toward employee medical insurance for 2025-2026 at this time. The monthly contribution will be recommended during the budget process. Currently the ISD pays approximately \$391.88 or \$407 depending on the plan. Annually that amount approximates \$1.8M. A schedule of rates for 2024-2025 is attached.



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**Administrative Recommendation:**

It is recommended that the Board of Trustees approve the Blue Cross Blue Shield employee medical program/rates as presented.

**Contact Person(s)**

Taylor Williams

Respectfully submitted,

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Taylor Williams  
Superintendent

Handwritten signature of Gary Micinski in cursive.

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Gary Micinski  
Interim CFO

**Attachments:**

- (1) Blue Cross Blue Shield Proposal Detail
- (2) Texas Schools Health Benefits Program Interlocal Agreement
- (3) Texas Schools Health Benefits Program Selection of Broker for Benefits
- (4) Current DISD Rates and Contributions