



Believe, Belong, Build and Become.

Work session: Insurance Plan Review

April 9, 2026

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2025-2026 Medical and Dental Plan Review and 2026-2027 funding recommendations

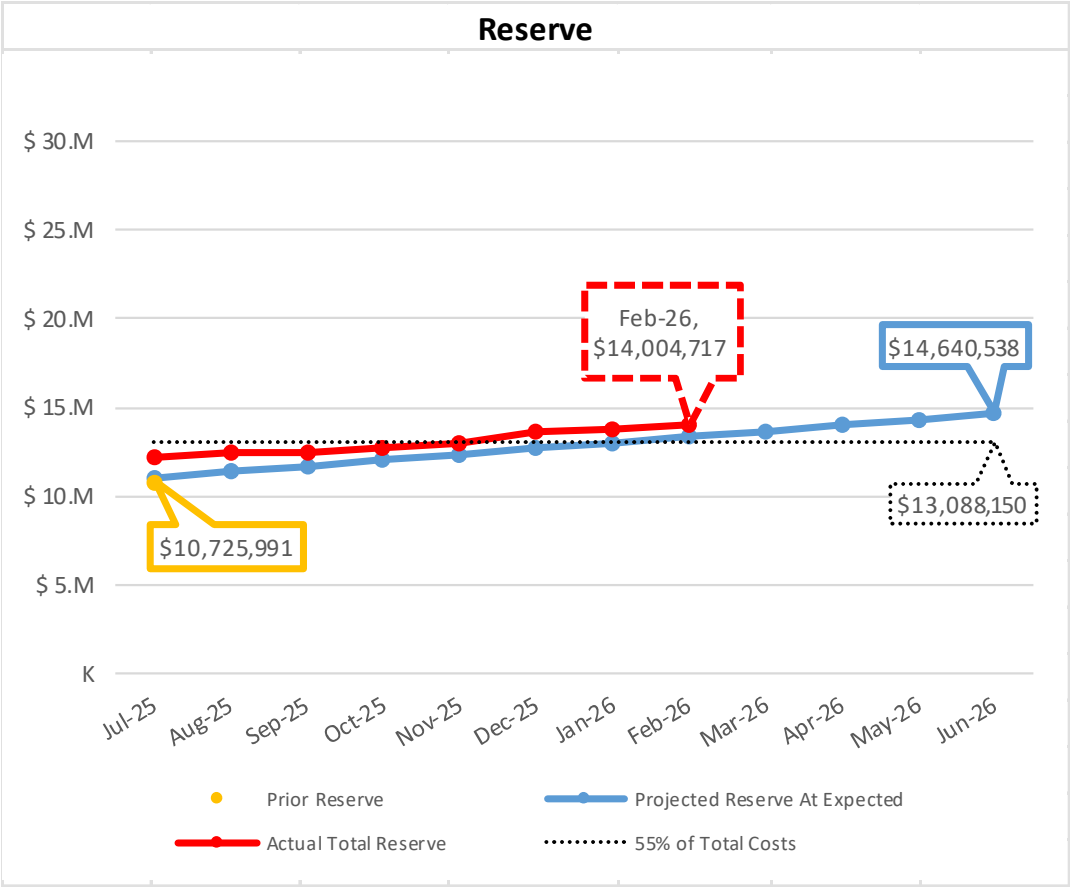
Burnsville Eagan Savage School District #191

2025 – 2026 Self Funding Medical (Through March 2026)

| | Projected | Actual – 3/2026 |
|---|--------------|-----------------|
| Medical Plan Claims <i>(Net Stop Loss Violations)</i> | \$23,727,495 | \$13,207,456 |
| Fixed Costs | \$2,388,214 | \$671,941 |
| Total Plan Costs | \$25,814,721 | \$13,879,397 |
| Internal Funding | \$27,947,622 | \$17,158,122 |
| Total Running Reserve Estimate | \$12,600,369 | \$14,004,717 |
| Reserve as % of annual costs | 48.7% | 54.2% |

- Target Reserve: 55% of annual costs

2025 – 2026 Self Funding Medical: Reserve Estimate



- Prior Reserve represents the estimated reserve position at the end of 6/30/25
- Projected Reserve At Expected is what the reserve projection is given current funding levels had claims been exactly equal to expected medical claim projections
- Actual Total Reserve is our reserve position plan year to date
- Target Reserve is 55% of annual costs



History of Reserve balance

- Net ending position of self funded health plan per District Financial statements:

| Fiscal Ending | Balance | Change in value | Target |
|---------------|-------------|-----------------|--------------|
| June 30 2020 | \$9,066,555 | | \$8,405,544 |
| June 30 2021 | \$8,455,631 | (\$610,924) | \$8,649,470 |
| June 30 2022 | \$7,350,460 | (\$1,105,171) | \$9,309,463 |
| June 30 2023 | \$5,436,051 | (\$1,914,409) | \$10,907,833 |
| June 30 2024 | \$7,636,247 | \$2,200,196 | \$11,457,917 |
| June 30 2025 | \$8,976,873 | \$1,340,626 | \$12,002,450 |

Health plan observations and funding recommendation for 2026-27

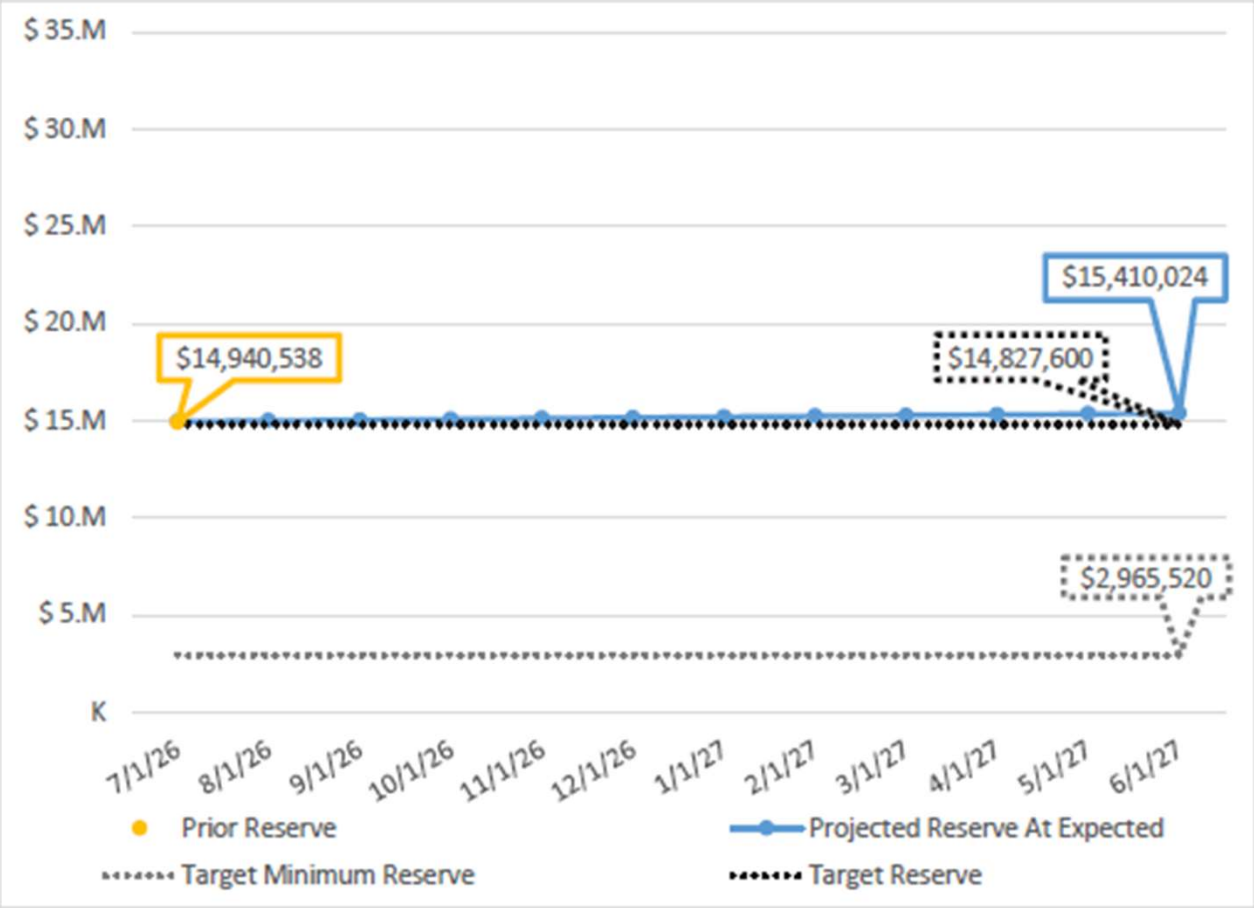
- Pharmacy represents 25% of the health plan spend at \$195 PMPM
- Mental health claims continue represent over \$1.1 million of spend, up 9%
- 3 high cost claimants with each over \$1 million in spend in the past 12 months
- High-cost claimants continue to represent over 18% of spend over the past 3 years. The severity of the claims in number and dollar value over stop loss are improving but this has created higher stop loss premiums over the past few years
- With the continued rising costs of medical and prescription drugs not slowing, the need to adjust rates to cover expenses is what drives the recommendation for an increase to funding of 5%

2026 – 2027 Self Funding Medical Projection of Costs

| | Projected |
|---|--------------|
| Medical Plan Claims <i>(Net Stop Loss Violations)</i> | \$25,031,467 |
| Fixed Costs <i>(Less Pharmacy Rebates)</i> | \$1,927,805 |
| Total Plan Costs | \$26,959,272 |
| Internal Funding | \$27,428,758 |
| Total Running Reserve Estimate | \$14,940,538 |
| Reserve as % of annual costs | 55.4% |

- Target Reserve: 55% of annual costs
- BCBS administrative rate will remain at current rate.
- Stop premiums will increase by 17% thanks to the stop loss premium cap
 - Plan has a \$250k individual deductible with a 115% aggregate contract
- OneDigital consulting fee is a fixed annual fee of \$75,000 and will not be changing

2026 – 2027 Self Funding Year Medical Projection



- Prior Reserve represents the projected reserve position for claims incurred through 6/30/26 and paid through 12/31/26
- Projected Reserve At Expected is what the reserve projection is given renewal funding levels if claims are exactly equal to expected medical claim projections for plan year 7/1/26 – 6/30/27
- Minimum Reserve is 11% of annual costs
- Target Reserve is 55% of annual costs



2025 – 2026 Self Funding Dental (Through February 2026)

| | Projected | Actual – 2/2026 |
|--------------------------------|-----------|-----------------|
| Dental Plan Claims | \$904,489 | \$602,993 |
| Fixed Costs | \$60,925 | \$40,617 |
| Total Plan Costs | \$965,415 | \$643,610 |
| Internal Funding | \$881,339 | \$587,559 |
| Total Running Reserve Estimate | \$418,088 | \$446,113 |
| Reserve as % of annual costs | 43.3% | 46.2% |

- Target Reserve: 25% of annual costs

2026 – 2027 Self Funding Dental Projection of Costs

| | Projected |
|--------------------------------|-------------|
| Dental Plan Claims | \$940,492 |
| Fixed Costs | \$65,367 |
| Total Plan Costs | \$1,005,859 |
| Internal Funding | \$925,405 |
| Total Running Reserve Estimate | \$337,634 |
| Reserve as % of annual costs | 33.5% |

- Target Reserve: 25% of annual costs
- Delta administrative rate will increase by 5.9%

History of Reserve balance, claims and 2026-27 funding recommendation

- Net position of self funded dental plan per District Financial statements

- June 30 2020: \$449,155
- June 30 2021: \$460,555
- June 30 2022: \$497,197
- June 30 2023: \$525,883
- June 30 2024: \$514,893
- June 30 2025: \$481,786

- Claims are stabilizing



- Funding recommendation is to increase rates 5% for 2026-27