

2025-2026 Medical and Dental funding recommendations

Burnsville Eagan Savage School District #191

Benefits Advisory Group

- Representative from various employee groups are part of the benefits advisory group
- The group is advisory only, and makes a recommendation to District
- The group meets regularly during the school year to review the insurance plans and provide feedback from their members

Health Insurance Transparency Act (HITA) RFP

- MN Statue 471.6161 requires a public school to seek proposals for their medical insurance plan every 2 years unless the largest employment group and the District agree otherwise
- RFP process started on December 27, 2024 when the RFP was released to the marketplace
- First round offers were due on Jan 17, 2025 and opened on Jan 20 2025. Committee met on Feb 3, 2025 to review and discuss.
- Best and final offers were due on Feb 13, 2025 and opened on Feb 14, 2025. Committee met on Mar 13, 2025 to review and make final recommendation.

Health Insurance Transparency Act (HITA) RFP

- First round offers were received by UMR (United Health), Blue Cross Blue Shield of Minnesota (BCBS) and Public Employee Insurance Pool (PEIP). HealthPartners and Medica declined to quote.
- PEIP was reviewed but since they don't match current plan and they are not a self insured option the committee didn't think moving to PEIP with a 15.50% increase was a good decision.
- UMR offered a net increase to fixed costs of 52.74% with a second year stop loss cap of 29% and admin increase of 2.5%
- BCBS offered a net increase to fixed costs of 17.28% with a second year stop loss cap of 19.5% and admin cap of 2.5%. BCBS provided \$200,000 in various implementation dollars for the 2 year contract.

Health Insurance Transparency Act (HITA) RFP

- Best and final offers were received by UMR (United Health) and Blue Cross Blue Shield of Minnesota (BCBS).
- UMR reduced stop loss rates by adding 2 lasers. Net increase to fixed costs improved to 21.67%. Stop loss cap improved to 19.5%, admin rate hold for the 2 years.
- BCBS offered a net increase to fixed costs of 14.67%, improved their second year stop loss cap to 17% and admin rate hold for the 2 years. BCBS provided \$200,000 in various implementation dollars for the 2 year contract.
- Stop loss offers to increase the deductible from \$225k to \$250k yields a fixed cost savings of \$310k, which is the equivalent of +12 people exceeding the current deductible levels, past and future data shows this is favorable to increase the risk slightly for the fixed cost savings.

Medical Recommendation

- The benefits advisory group discussed the past member experience and troubles that members had with claims and customer service of UMR.
- The benefits advisory group reviewed the network disruption reports of claims for the past 17 months with UMR having 97.09% in network and BCBS having 99.48% of spend in network.
- Given the very comparable expected costs of both carrier offers, only separated by \$123k. Based on the recommendation of increasing funding by 5% regardless of the carrier selected, the benefits advisory group is recommending a move to BCBS.

Dental Recommendation

- The benefits advisory group reviewed the results of the RFP of the dental carriers and the dental plan performance.
- The benefits advisory group expressed no desire to change dental plan administrators based on current performance of Delta and the access to care.
- Dental fund balance is adequate currently at 6 months of claim spend in reserve (\$506k), yet this year to date the fund has depleted by \$63k, some of this is the seasonality of the dental plan.
- An increase to dental rates by 1.5% is being recommended.