



BOARD OF SCHOOL TRUSTEES

## KELLER INDEPENDENT SCHOOL DISTRICT

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**2D. Action**

**Date: October 24, 2005**

**SUBJECT: HEALTHCARE INSURANCE RATES FOR 2006**

**BOARD GOAL: The Keller Independent School District will recruit, develop, and retain a diverse highly qualified staff**

**All systems in the Keller Independent School District will be effective, efficient, and accountable in support of the district's mission**

**FISCAL NOTE: Health insurance claims and expenses funded through district and employee contributions**

### **Background Information:**

- Keller ISD provides employee health insurance benefits through a self-funded health plan in which contributions from the district and premiums paid by the employees are used to pay for medical claims and the costs associated with administering the district's plan.
- Because the district is self-funded, it is able to determine the level of funding necessary and then establish the premiums needed to generate the level of funding determined to be necessary.
- The district's health plan is comprised of three options, a Basic Plan, a Core Plan, and a HMP (co-pay only) Plan.
- Detailed information was included in the preview package, which was presented at the last board meeting, and additional information, including some rate comparisons, was provided to you following the preview presentation.

### **Administrative Considerations:**

- The district's employee benefits consultant, Smith and Associates, has developed a funding estimate based on projected medical and prescription drug claims and cost of plan administration, including re-insurance premiums.

- The rate increases projected for each option are as follows:
  - Core Plan                    7%
  - HMP Plan                    54%
  - Basic Plan                    4%
  
- A summary of rates proposed for 2006 is attached; the effective date of the new rates will be January 1, 2006.

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**The Administration recommends the Board approve the health care rates for the 2006 Plan Year, effective January 1, 2006.**

Respectively submitted,

Bill Stone  
Steve Levering