

Agenda Topic: Direct Primary Care Services Contract with Kavira
Meeting Date: April 22, 2025
Contact Person: Shari Thompson and Kenyatta McCarty

Background:

Kavira is a direct-to-employer healthcare provider. Their goal is to provide employees with better care and outcomes, which lead to lower healthcare costs.

The district is currently in its second year of a three-year contract with HealthPartners for medical insurance, which includes an 11% cap on the rate increase for next year. After reviewing the renewal data, the district's actual claims experience over the past year calls for a 28% increase to current health insurance premiums.

The contract cap limits the increase to 11%, and in exploring options to offset the increase, we received a proposal from Kavira. Using an app, Kavira provides care through home, video, and office visits to patients. The cost of the service is paid by the employer through a membership fee of \$27.00 per month per employee covered under our health insurance. The fee is paid entirely by the district, and the annual cost is approximately \$308,000 per year.

In exchange, HealthPartners has offered to decrease the premium renewal from 11% to 7.67% for the upcoming year. The reduction in the HealthPartners rate will result in gross savings of \$572,000 from the original renewal rate. The net savings after paying Kavira will be \$265,000.

The district will utilize the service for one year and evaluate the impact on healthcare costs. We will also be putting our health insurance out for bid again next year as required under the Minnesota Health Insurance Transparency Act (HITA).

The proposal has been reviewed by the district's Insurance Committee and the Finance Advisory Committee.

We are planning a marketing promotion with Kavira for our employees and are hopeful the service will be more convenient and less costly for many of the medical services people already utilize.

Recommendation:

It is recommended that the board approve a one-year contract with Kavira Direct Primary Care Services.

 X Action Required Informational – No Board Action Requested