Lyon County School District
Board Memo

Date: February 24, 2026

To: Board of School Trustees

From: BillieJo Hogan, Executive Director of Human Resources
Blake Smith, Safety and Benefits Risk Manager

Re: LCSD Health Insurance Rate Renewal for July 1, 2026

Recommendation

The Board of Trustees approve the recommendation from the District Benefits Insurance Committee to approve the medical renewal with Anthem of Nevada at a 10% cost increase to the district, effective July 1, 2026.

Background Information

The district's combined medical and prescription paid claims loss ratio has slowly been improving in 2025, sitting now at an 89%. This ratio is driven by overall utilization trends and the presence of large claims over the last 12 months.

While the district's claims experience is improving, Anthem's 19.9% rate cap last year was contingent on several timing and data-related factors. With the three worst months occurring at the end of the experience period, LP Insurance identified an opportunity to approach Anthem earlier and negotiate a lower renewal increase. LP secured a 10% increase, contingent on not gathering market quotes, and presented the final renewal on Tuesday, February 3, 2026. The District Insurance Committee formally recommended that the district renew the existing contract with Anthem, effective July 1, 2026, at a 10% increase to current rates. The plan designs are the same, except the HSA plan, which had an IRS mandate to increase accumulators from $3,300/$6,600 to $3,400/$6,800.

The district's dental and vision insurance was transitioned to a self-funded operation at last year's renewal. LP Insurance has presented monthly claims reports (based on current funding amounts) and both plans are performing as expected. No rate action is recommended by the committee at this time until more data is available at the next renewal.

Annual fiscal impact

$1,287,553

Discussed at Previous Meeting

N/A

Attachment(s)

LCSD Renewal Presentation.pdf