



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

9I. Action

Date: August 26, 2008

SUBJECT: APPROVAL OF MEDICAL PLAN FOR 2009

BOARD GOAL: The Keller ISD will recruit, develop and retain a diverse highly qualified staff.

FISCAL NOTE: Health Benefits Trust Fund

Background Information:

- The health benefits plan year is January 1 through December 31; premiums for January are deducted in December paychecks.
- Open enrollment for 2009 will be October 13, 2008 through October 24, 2008.
- Informational benefits meetings will be held across the district as well as computer assistance and vendor information sessions.
- The cost of providing the current plans has continued to increase each year due to the rising costs of healthcare.
- Original projections for 2009 indicated an overall 15% shortfall for the medical plans.
- Our goal is to minimize negative employee impact and rate increases.
- The recommended changes necessary to reduce the projected shortfall to 5% or less include:
 - The change to the board approved new third party health benefits administrator, United Healthcare, which offers low administrative and claims costs, minimal employee disruption and the best network discounts.
 - As directed by the Board in September 2007, the elimination of the costly HMP plan by 12/31/08.
 - Minimal benefit changes and nominal premium increases.

+++++

The administration recommends that the Board of Trustees accept the 2009 Medical Plan as proposed and approve the nominal increase to premiums with minimal benefit changes.

Respectfully submitted,

Regina Smith McKenzie
Executive Director of Human Resources