



Board of Trustees Meeting

Date



2026-2027 Medical Insurance Update and Recommendation

Mrs. Alison Sims



Overview

- Insurance History & Current Status
- Financial Outlook & Claims Trends
- Proposal Review & Cost Comparison
- Recommendation & Next Steps



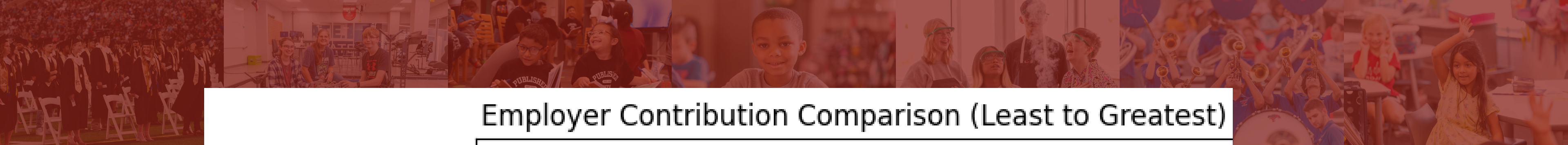
Why This Matters

- Significant cost could impact District budget
- Limited market competition reduces options
- Decision required to ensure continued coverage

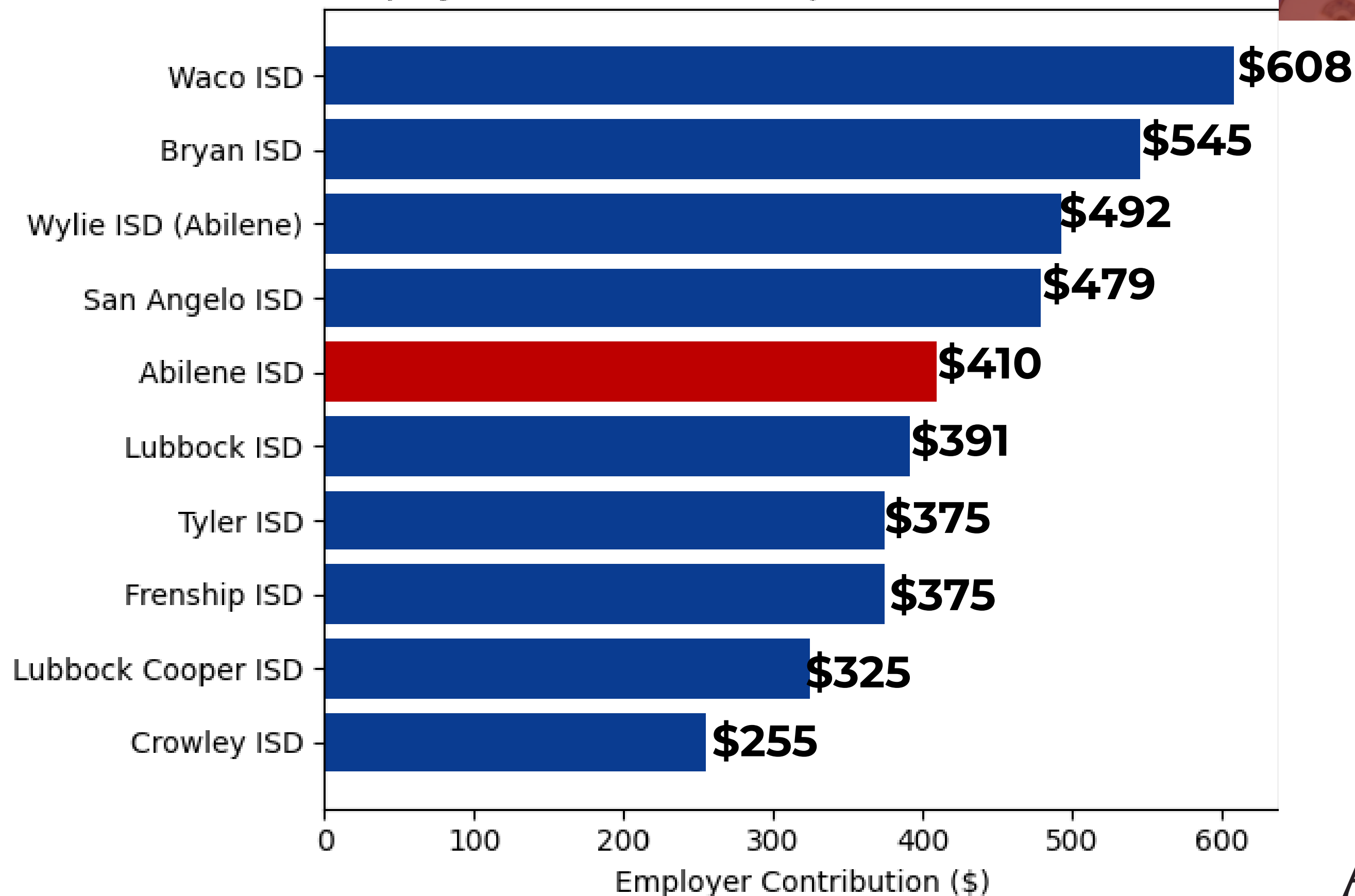


Historical Perspective

- AISD opted out of TRS-ActiveCare in 2021 (**5**-year commitment)
- Abilene ISD contributes **\$410**/month (since 2016) toward employee insurance (state minimum: **\$255**)



Employer Contribution Comparison (Least to Greatest)





Cost & Deductible Trends

Year	2022-2023	2023-2024	2024-2025	2025-2026
Plan	Blue Cross Blue Shield Texas TML Health	Blue Cross Blue Shield Texas	Blue Cross Blue Shield Texas	Blue Cross Blue Shield Texas
Plan Details	\$3,000 Deductible (In Network)	\$3,000 Deductible (In Network)	\$3,200 Deductible (In Network)	\$6,000 Deductible (In Network)
Monthly Premium	\$426.30	\$446.53	\$489.90	\$409.69
Cost to Employee per month	\$16.30	\$36.53	\$39.95	\$0

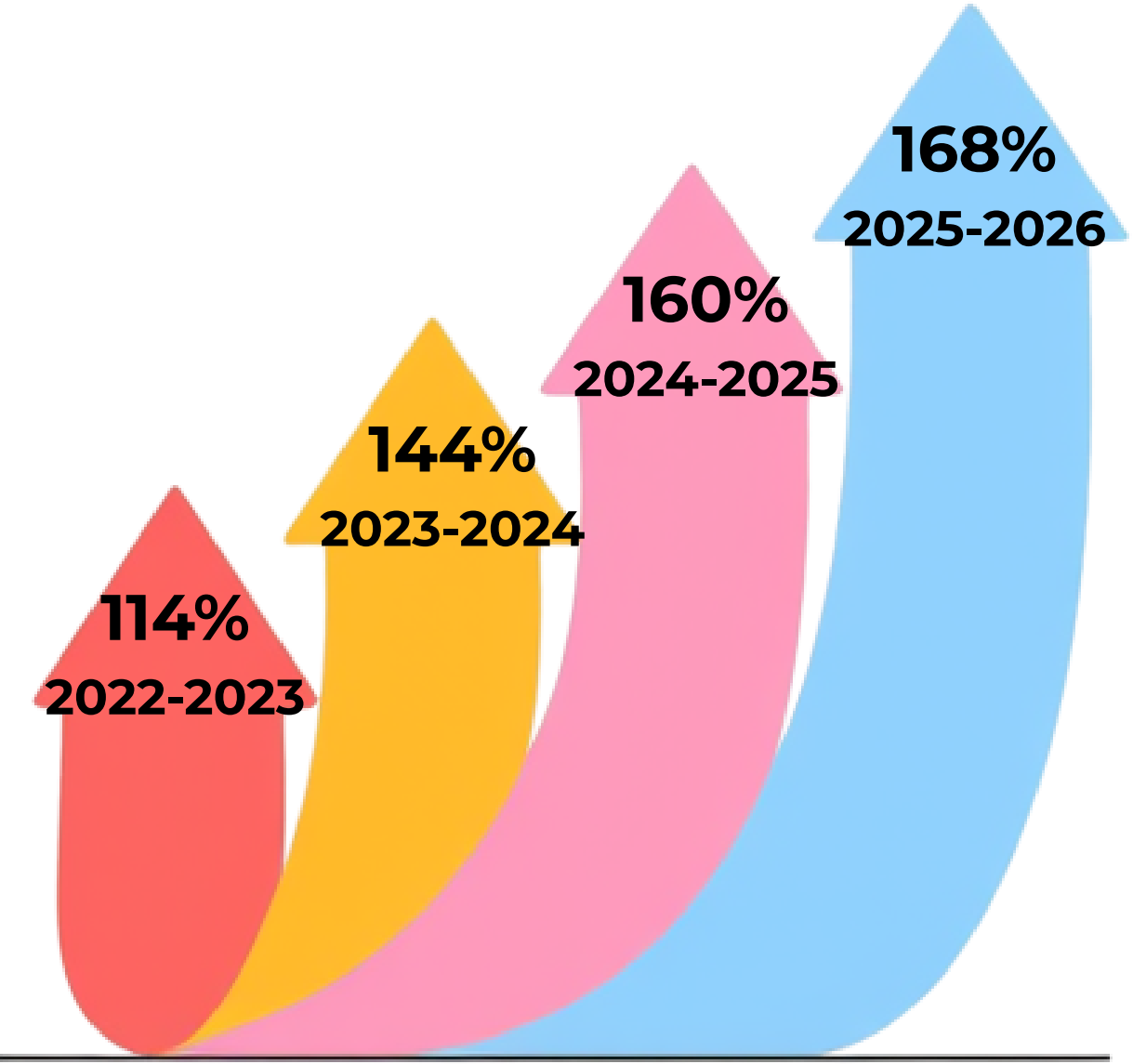


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Loss Ratio Trends



Claims significantly exceeded premiums, creating an unsustainable plan structure

Current Financial Reality



Premiums - **\$12.8 M**

Claims - **\$21.6 M**

Loss Ratio - **168%**

Key Drivers

- High cost claimants - **0.8%** of members generate **48%** of the cost
- Utilization of emergency rooms for non-emergent ailments
- Pharmacy - cost of specialty drugs continue to rise



RFP Process Summary

- Released on February 4, 2026 to the Marketplace
- Responses were due by March 3, 2026
- Evaluation conducted with HUB, initial scoring and review of proposals on March 17, 2026
- Negotiations to ensure strongest plan structure and cost

Vendor Response List

Responded
BCBS TX
Baylor Scott & White

Declined to Quote
United Healthcare
Texas Health Benefits Pool
Aetna
Cigna
Curative
Evry Health

Limited competition reflects current market challenges



Renewal Cost Increase

	Annual Plan Cost	Difference from Current	% Difference from Current	Notes
Current Plan BCBS 2025-26	\$13,963,354	----	----	4 Plan Options
Initial Renewal Plan Cost - BCBS 2026-2027	\$26,153,331	\$12,189,976	87.3%	4 Plan Options No Plan Design Changes



Proposed Plan Comparison

	Annual Plan Cost	Difference from Current	% Difference from Current	Notes
Proposed Plan Cost - BCBS TX 2026-2027	\$22,634,589	\$8,671,235	62.1%	No Plan Design Changes
Proposed BSW Health Plans 2026-2027	\$26,775,288	\$12,811,934	91.8%	Requires 100% District Contribution to the Employee at the Lowest Plan Option

Evaluation of Proposals

Evaluation Criteria Used for Ranking Proposers	Points	BCBSTX	BSWHP
Proposal Price			
Purchase Price	40	32	25
Reputation of the Vendor and Vendor's Goods or Services	5	5	5
Quality of the Vendor's Goods or Services	30	30	26
Extent to which the Goods or Services Meet the District's Needs	25	24	23
Vendor's Past Relationship with the District	0	0	0
Impact on the Ability of the District to Comply with Laws and Rules Relating to Historically Underutilized Businesses	0	0	0
Total Long-Term Cost to the District to Acquire the Vendor's Goods or Services	0	0	0
For a Contract for Goods and Services, Other than Goods and Services Related to Telecommunications and Information Services, Building Construction and Maintenance or Instructional Materials, whether the Vendor or Vendor's Ultimate Parent Company or Majority Owner	0	0	0
1) Has its Principal Place of Business in this State, or			
2) Employees at least 500 Persons in this State			
Any Other Relevant Factor(s) Specifically Listed in these Specifications	0	0	0
Total points possible	100	91	79
Ranking of Bidders (Ranking Value)		1	2

BCBSTX Best and Final Offer PPO Plans

Carrier	BCBSTX		BCBSTX	
Plan	HSA 6000 - PPO		HSA 3400 - PPO	
Network	Blue Choice PPO		Blue Choice PPO	
Annual Deductible <i>Individual / Family</i>	\$6,000 / \$10,000	\$6,000 / \$12,000	\$3,300 / \$6,600	\$6,000 / \$12,000
Out-of-Pocket Maximum <i>Individual / Family</i>	\$10,000 / \$20,000	Unlimited	\$6,900 / \$13,800	Unlimited
Coinsurance	20%	50%	20%	50%
Office Visits <i>PCP / Specialist</i>	20%	50%	20%	50%
<i>Telemedicine</i>	20%	50%	20%	50%
Urgent Care	20%	50%	20%	50%
Emergency Room	\$750 Copay + 20% AD		\$750 Copay + 20% AD	
Retail Pharmacy				
Deductible	Integrated with Medical		Integrated with Medical	
Generic / Tier 1 <i>30-Day Supply</i>	\$20, \$0 for certain generics		\$20, \$0 for certain generics	
Brand / Tier 2 & 3 <i>Preferred / Non-Preferred</i>	\$50 / \$80		\$50 / \$80	
Specialty / Tier 4 & 5	\$150 / \$150		\$150 / \$150	

ESTIMATED ENROLLMENT		
<i>Employee Only</i>	0	546
<i>Employee + Spouse</i>	0	24
<i>Employee + Child(ren)</i>	1	118
<i>Employee + Family</i>	0	31
Total Employees by Plan	1	719
Total Employees		1,636

RATES	HSA 6000 - PPO	HSA 3400 - PPO
Proposed	2026-2027	2026-2027
Emp Only	\$664.11	\$1,004.45
Emp + Spouse	\$1,340.63	\$2,027.66
Emp + Child(ren)	\$1,163.29	\$1,759.43
Emp + Family	\$1,944.94	\$2,941.66
Monthly Total	\$1,163	\$895,898



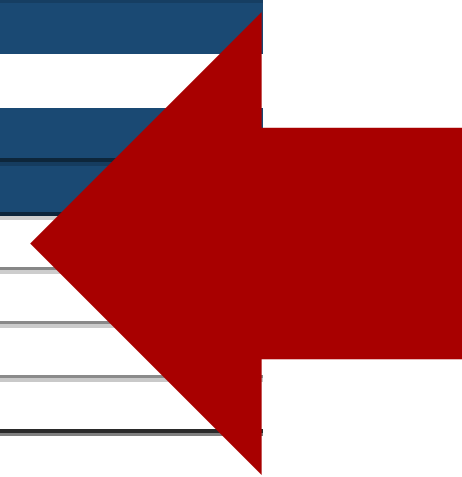
BCBSTX Best and Final Offer

HMO Plans

Carrier	BCBSTX		BCBSTX	
Plan	HMO 6000		HMO 2000	
Network	Blue Essentials HMO		Blue Essentials HMO	
Annual Deductible <i>Individual / Family</i>	\$6,000 / \$12,000	N/A	\$2,000 / \$4,000	N/A
Out-of-Pocket Maximum <i>Individual / Family</i>	\$7,000 / \$14,000	N/A	\$6,000 / \$12,000	N/A
Coinsurance	20%	N/A	20%	N/A
Office Visits <i>PCP / Specialist</i>	\$45 / \$55		\$45 / \$55	
<i>Telemedicine</i>	\$0	N/A	\$0	N/A
Urgent Care	\$100	N/A	\$100	N/A
Emergency Room	\$750 Copay + 20% AD	N/A	\$750 Copay + 20% AD	N/A
Retail Pharmacy				
Deductible	N/A		N/A	
Generic / Tier 1 <i>30-Day Supply</i>	\$20, \$0 for certain generics		\$20, \$0 for certain generics	
Brand / Tier 2 & 3 <i>Preferred / Non-Preferred</i>	\$50 / \$80		\$50 / \$80	
Specialty / Tier 4 & 5	\$150 / \$150		\$150 / \$150	

ESTIMATED ENROLLMENT				
<i>Employee Only</i>	583		92	
<i>Employee + Spouse</i>	14		4	
<i>Employee + Child(ren)</i>	171		17	
<i>Employee + Family</i>	35		0	
Total Employees by Plan	803		113	
Total Employees				

RATES	HMO 6000	HMO 2000
Proposed	2026-2027	2026-2027
Emp Only	\$819.19	\$1,193.23
Emp + Spouse	\$1,948.69	\$2,408.77
Emp + Child(ren)	\$1,434.93	\$2,090.13
Emp + Family	\$2,399.08	\$3,494.55
Monthly Total	\$834,210	\$154,944
Annual Total	\$10,010,523	\$1,859,333
Combined Annual Total		





Administrative Recommendation

Approve Blue Cross Blue Shield for the 2026-2027 plan year.

Rationale:

- Lowest cost option available
- Meets district needs
- Avoids additional structural changes



Future Considerations

- Evaluate return to TRS-ActiveCare (2027-2028)
- Decision required December 31, 2026
- Awaiting Regional TRS-ActiveCare rate data



Current Supports

- Virtual Care: MDLive, 24/7 Nurse Line
- Employee Assistance Program
- Well on Target - personalized health coaching
- Ovia Health - women's health advising
- Wondr - weightloss support
- Hinge Health - musculoskeletal care solution
- Livongo - diabetes, hypertension, and weight management support



Future Enhancements

- Free optional basic health screenings for all staff - partner with FFNG or other local entity
- AISD Benefits Education sessions
- Increased awareness of existing services