



AN EARLY COLLEGE DISTRICT

BROWNSVILLE

INDEPENDENT SCHOOL DISTRICT

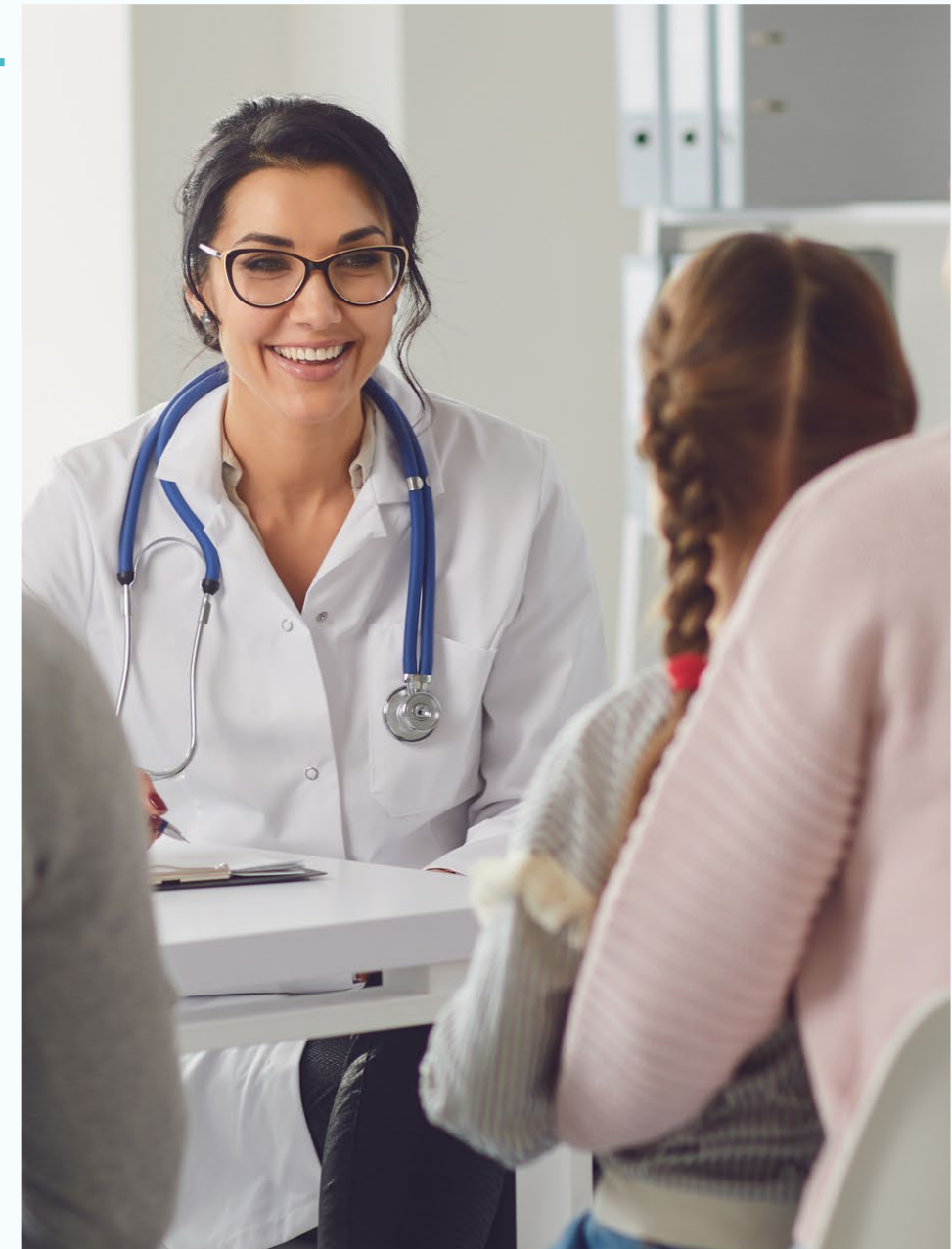
MEDICAL PLAN

***Presentation to the School Board
September 2, 2025***

EBC Committee

The Employee Benefits Committee (EBC) meets approximately once a month to review, discuss, and make recommendations that ensure BSD employees have access to high-quality medical plans and strong benefits.

During the Spring semester, the EBC identified a projected shortfall in the district's self-funded plan. The purpose of this presentation is to share the information the committee has been reviewing and the possible options being considered to address this shortfall **with the least impact to employees.**



ABOUT the Shortfall



For the upcoming year, 2026, the district's self-funded health plan is projected to have a shortfall of **\$7,335,466**.

Representatives from all campuses and departments participated in evaluating possible solutions, minimizing the impact on employees as much as possible. Ensuring employees continue to have access to reliable and valuable benefits.

To further minimize the impact on employees, the EBC has recommended addressing the shortfall in **phases**, allowing the district to make thoughtful adjustments while maintaining strong benefits for staff.

Proposed Phases



Phase I – Pharmacy Costs

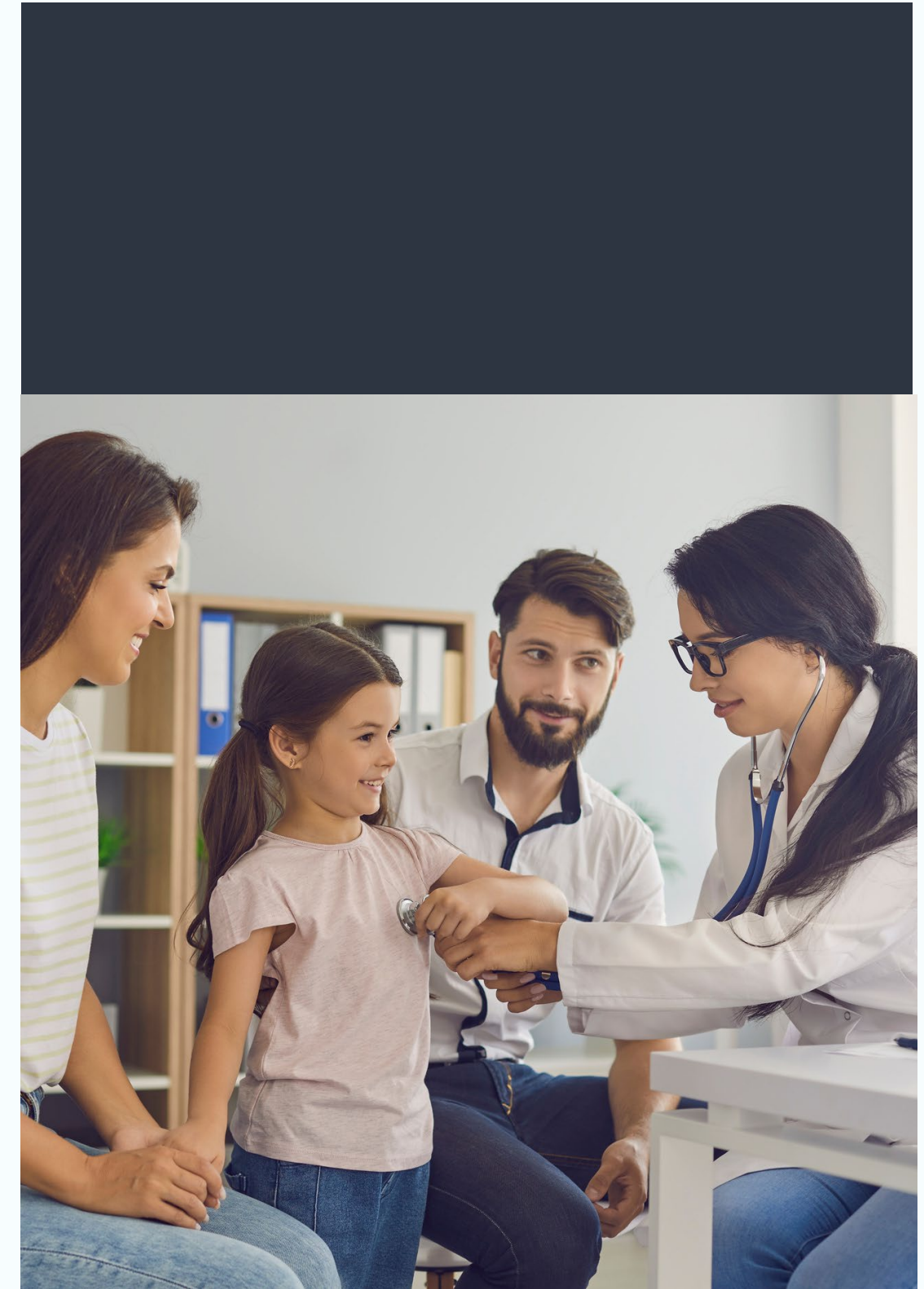
Between 2021 and 2023, pharmaceutical costs increased by **23.08% mainly due to GLP-1s**. To address this, the district introduced a Personal Importation pharmacy option, allowing employees to receive the same medications from Tier 1 countries at Zero cost to the employee. This measure lowered pharmaceutical costs to **7.98%**, but was not sufficient to cover the budget deficit. -



Phase II – Employer Contribution

The EBC recommended increasing the employer contribution, which had remained at **\$580 since 2020**, by **\$50 per member** for a total of **\$630**. This adjustment was approved by the superintendent and incorporated into the **2025–2026 budget**, reducing the projected shortfall by **\$3,287,400**. Even with this increase, projections still *indicate a budget shortfall*.

Since 2018, our employees have not experienced any plan design or rate changes. For seven years, we've maintained consistency in both coverage and costs. Meanwhile, medical inflation has steadily risen year after year, putting ongoing pressure on employer plans across the country. This context is important as we consider adjustments for 2026. As a result, the committee also began developing a strategic plan to adjust the health plan while minimizing the impact on employee benefits.



Proposed Phases

Phase III – Options Under Review



To further reduce the shortfall, EBC member are currently considering:
A premium increase of **\$2.25** for nearly 80% of employees enrolled in Plan A, which would generate an additional **\$603,710**.

Three additional plan options currently under review -

	Option A	Option B	Option C
2026 Projected Cost	\$56,000,000.00	\$56,000,000.00	\$56,000,000.00
2026 Projected Revenue (No Changes)	\$44,664,534.00	\$44,664,534.00	\$44,664,534.00
2026 Estimated Rx Rebates	\$4,000,000.00	\$4,000,000.00	\$4,000,000.00
2026 Projected Shortfall +/-	(\$7,335,466.00)	(\$7,335,466.00)	(\$7,335,466.00)
Estimated Savings Strategies			
GLP1 30% Co-Insurance (Mounjaro)	-\$774,000.00	-\$774,000.00	-\$774,000.00
U-Matter (2,200 members)	-\$246,120.00	Remains in place	-\$246,120.00
Miracle Medical (32 members)	-\$88,000.00	Remains in place	-\$88,000.00
Total Estimated 2026 Savings	-\$1,108,120.00	-\$774,000.00	-\$1,108,120.00
Employer/Employee Contribution Adjustments			
Employee Adjustment	+\$603,710.00	+\$603,710.00	No Adjustment
Employer Adjustment (\$50 PEPM)	+\$3,287,400.00	+\$3,287,400.00	+\$3,287,400.00
	<u>+\$3,891,110.00</u>	<u>+\$3,891,110.00</u>	<u>+\$3,287,400.00</u>
2026 Projected Shortfall (with adjustments) +/-	(\$2,336,236.00)	(\$2,670,356.00)	(\$2,939,946.00)

Important Note:

Hold on proposed deductible changes.
Revisit in the Spring 2026.



Options



Option A results in the *smallest loss* for the district's self-insurance fund. During discussions, the possible elimination of **U-Matter** and **Miracle Medical** was raised; however, employees clarified that these services duplicate existing benefits, and equivalent coverage would remain within the health plan.

Benefits Comparison: 2025 vs Proposed 2026

Since 2018, there have been no employee rate or plan design changes

***Benefits
That Did
NOT
Change***

Benefit	2025 & 2026
In-Network Primary Doctor	\$35
In-Network Specialist	\$40
Virtual Visit	\$15
Urgent Care	\$45
Preventive Care	100%
Emergency Room (In-Network)	\$250 then Ded. & 30%
Emergency Room (Out-of-Network)	Ded. & 40%
Coinsurance (In-Network)	70% BSD / 30% Member
Coinsurance (Out-of-Network)	60% BSD / 40% Member
Prescription Generic	\$0
Prescription Brand	\$60
Specialty Medications	20%

Deductibles & Out-of-Pocket (Proposed)

Important Note:

On Hold. Revisit in the Spring of 2026

Benefit	2025	2026
Deductible (In-Network)	\$750 / \$1,250	\$1,000 / \$2,000
Deductible (Out-of-Network)	\$1,250 / \$2,500	\$1,500 / \$3,000
Max OOP (In-Network)	\$4,000 / \$8,000	\$5,500 / \$11,000
Max OOP (Out-of-Network)	\$8,000 / \$16,000	\$9,500 / \$19,000

■ ***Prescription Coverage Changes***

- GLP-1 medications: New 30% coinsurance in 2026 (Coupon Assistance will be provided by [Araya](#))

Employee Contribution Rates (Proposed)

Coverage	2025	2026	Increase	% Change
Employee Only	\$15.00	\$17.25	+\$2.25	15.0%
Employee + Spouse	\$404.41	\$438.11	+\$33.70	8.3%
Employee + Child(ren)	\$291.82	\$316.14	+\$24.32	8.3%
2 Employees + Child(ren)	\$247.98	\$268.65	+\$20.67	8.3%
Employee + Family	\$584.32	\$633.01	+\$48.69	8.3%

DISTRICT COMMITMENT

The intent of these recommendations is *not to generate revenue for the district*, but rather to ensure our health plan is **self-sustaining** and able to continue providing employees with quality benefits.

As we move forward, let us continue to make choices that *place our employees at the center*, knowing that their success and well-being are the foundation of our district's achievements.

EMPLOYEE BENEFITS DEPARTMENT



*Thank you
Employee Benefits Committee!*