



Agenda IV.B.1
April 10, 2025

To: Members, Board of Education

From: Stacey Sovine, Executive Director of Administrative Services

Date: April 10, 2025

Re: Approve Third Party Administrator and Stop Loss Insurance Provider

RECOMMENDATION: That the Board of Education approves Blue Cross Blue Shield as the Stop Loss Insurance provider and Blue Cross as the Third Part Administrator to process claims for the district's self-funded medical plan.

Per MN Statute 471.6161, ISD191 requested proposals for its Third-Party Administration of its Self-Funded Medical plan. The district also sought stop loss insurance to cover high claims and protect the district's plan from overages.

The district is required to go through this process every two years unless agreed to by the representative of the largest bargaining unit to extend it. All the final proposals submitted must be opened at the same time in the presence of up to three representatives selected by the exclusive representative of the largest group of employees. We opened the bids during a benefits meeting representing all bargaining units. Three vendors provided initial offers. The benefits committee reviewed the initial offers and requested that best and final offers be provided by two vendors.

Based on a number of components including administration of claims, risk mitigation, integration of systems, ability to control costs, education and compliance, employee guidance, health and satisfaction, reporting capabilities, and costs the benefit committee is recommending Blue Cross Blue Shield to support our plan.

Annual TPA Fee is: \$46.45 PEPM

Stop Loss cost is: \$121.60 single / \$334.40 family

In addition:

- Admin rate is for 2 years
- Stop loss rate cap of 17% for year 2
- \$150,000 implementation credits
- \$25,000 pharmacy credit for each of the 2 years
- Cash flow regulator added to aggregate stop loss at no cost