

Participation in Wellmark Blue Cross/Blue Shield of Iowa Group Health Insurance

Background:

Benefits such as health insurance are vital for our employees. This year, and in recent years, Belmond-Klemme CSD provides its employees with a group health insurance policy through Wellmark Blue Cross/Blue Shield of Iowa headquartered at 1331 Grand Avenue in Des Moines, Iowa.

Several years ago, to address the soaring costs of health insurance, Belmond-Klemme moved to a high-deductible plan. As part of our plan, the district pays each employee eligible for health insurance a separate health stipend deposited into a Health Savings Account (HSA) for each employee.

Our high-deductible plan has been successful in containing costs, and we have seen very low increases and even *some decreases* in costs in recent years:

- 2019 – 2020 *decreased* slightly by 0.19%;
- 2020 – 2021 *decreased* even more by 2.88%;
- 2021 – 2022 increased by 6.75%; and
- 2022 – 2023 increased by 19.42%.

Cost/Benefit Analysis:

Earlier this month, we received our renewal rates from Wellmark for next year (7/1/23 to 6/30/24). The new rates are as follows:

Plan	Current Rate	New Rate
Single	\$554.38	\$606.13
Two Person	\$1,034.53	\$1,133.21
Family	\$1,634.32	\$1,791.64

Rates for next year increased by 9.43% overall.

For single coverage, the district currently provides \$8,100.00 to each employee. The new rate will cost employees \$7,273.56 annually. This means each employee with single coverage will still receive \$826.44 more than the actual cost of the health insurance.

NOTE: *The cost of BK health insurance is below the school state average.*

Recommended Action:

I recommend renewal of the contract with Wellmark Blue Cross/Blue Shield of Iowa for health and dental insurance.