



**DATE:** June 9, 2025

**TITLE:** Medical and Dental Insurance Renewal 2025-2026

**TYPE:** Action

**PRESENTER(S):** Todd Lechtenberg, Executive Director of Finance and Operations

**BACKGROUND:**

Austin Public Schools proudly maintains a self-funded insurance program for both medical and dental insurance. The plan is housed within the Internal Service Fund (Fund 20) of the District Financial Statements. This fund tracks the premiums collected and claims incurred by the plan members, related administrative costs, and employee benefits aligned with overall employee health.

The district has successfully administered the plan in partnership with all major bargaining units and the plan consultants.

**RATIONALE:**

Austin Public Schools, in partnership with National Insurance Services (NIS) presented to our insurance committee the medical claims data for the past 24 months with a lost ratio target of 85%. Here are the results:

- Last 12 months (Apr24 to Mar25) was at 112% lost ratio
- Prior 12 months (Apr23 to Mar24) was at 142% lost ratio

NIS blends the 24 months of claims experience and trends that forward to project Austin Public Schools health insurance rates need to increase 14% for the 2025-2026 school year.

**RECOMMENDATION:**

It is recommended that medical plan premiums be increased by 14% to address the expected claims for the 2025-2026 fiscal year. It is recommended that dental plan premiums be increased by 3% to address the expected claims for the 2025-2026 fiscal year.