



Agenda of Special Board Meeting

The Board of Trustees McAllen Independent School District

A Special Board Meeting of the Board of Trustees of the McAllen Independent School District will be held Tuesday, September 2, 2025, beginning at 5:30 PM Dr. Ricardo Chapa Board Room/Administration Building of the McAllen Independent School District, 2000 North 23rd Street, McAllen, TX 78501.

Items listed on this agenda may be taken in an order other than as shown on this agenda. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

At this meeting there may be discussion and action by the Board on the item(s) and subject(s) listed as follows:

1. **CALL MEETING TO ORDER**
2. **PUBLIC COMMENT(S)**
3. Discussion and Possible Action on Approval of Self-Funded Medical Plan Rates & Benefits for 2025-2026 2
Item Submitted: Lorena Garcia, Deputy Superintendent Business and Operations
Presenter: Dr. René Gutiérrez, Superintendent
4. **ADJOURNMENT**

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Pursuant to Texas Government Code 551.127, a member or employee of a governmental body is authorized to participate remotely in a meeting of the governmental body through a videoconference call, as long as a quorum of the governmental body is physically present at the location of the Board Meeting. Any video conference conducted pursuant to this section will comply with the technical requirements of this section.

Pursuant to Texas Government Code 551.129, the Board of Trustees may use a telephone conference call, video conference call, or communications over the internet to conduct a public consultation with its attorney in an open meeting of the governmental body, or, a private consultation with its attorney in closed meeting of the governmental body.

The notice for this meeting was posted in compliance with the Texas Open Meeting Act on September 2, 2025 by 4:00 P.M. Natalia Goza, on behalf of the Board of Trustees

**BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT**

MEETING DATE: September 2, 2025

Attachment:

SUBMITTED BY: *Andres Silva*

SUPERVISOR: *Alberto Canales*
Alberto Canales (Aug 27, 2025 15:26:10 CDT)

Approved for presentation to the Board of Education:

René Gutierrez
RENE GUTIERREZ (Aug 27, 2025 15:51:55 CDT)

2 _____
Superintendent of Schools

Potential Strategies

No.	Target Area	Strategy	Pros (P) Cons (C)	Budget	Est Savings/ ROI	Timeline	Remarks
1	Medical Plan	Employer Contribution Increase to \$521.50 PEPM (\$55 PEPM)	P- Increases funding, Aligns with the surrounding School Districts C-Budget Considerations	\$2,013,000	-	7/1/2025	Surrounding School Districts Average Contribution: \$567 PEPM
2	Medical Plan	Employee Contribution Premium Increase (Base Plan- 15% All Tiers)	P- Increases funding C-Employee Dissatisfaction; Impacts all members regardless of utilization	\$155,00	-	1/1/2026	Percent increase capped to maintain ACA Affordability & Single Plan Model
3	Medical Plan	Discontinue State Plan	P- Containment of Medical Cost, Benefit Simplification, Two Plan Options C-Employee Dissatisfaction (36 members)	None	\$500,000	1/1/2026	Contain Medical Costs, Administrative Simplification & Predictability
4	Medical Plan	Discontinue State Plan & High Plan (Single Plan Model)	P- Containment of Medical Cost, Benefit Simplification C-Employee Dissatisfaction (536 members), Lower Revenue, One Plan Option	None	\$3,500,000	1/1/2026	Contain Medical Costs, Administrative Simplification & Predictability

Potential Strategies

No.	Target Area	Strategy	Pros (P) Cons (C)	Est Cost	Est Savings/ ROI	Timeline	Remarks
5	Medical Plan	Increase Basic Plan deductibles, Spec Copay/IP Hosp Copay (increases TBD)	P- Containment of Medical Cost, Cost impact limited to utilizers C-Employee Dissatisfaction from increase OOP expenses	None	\$1,250: \$230K \$1,500: \$460K \$1,750: \$690K \$2,000: \$920K	1/1/2026	Savings based on option selected (Deductible, Specialist Copay, IP Admission Copay)
6	Pharmacy Plan	Establish a 4 th Rx Tier Co-Insurance Tier for Certain GLP1 drugs	P- Containment of Pharmacy Cost; Limited Drug Applicability C-Increased OOP - Employee Dissatisfaction (112) estimated members	None	\$185,000 - 20% \$278,000 - 30%	No earlier than 7/1/2025	Limited to GLP1 drugs not sourced through the Personal Importation Program only. The district must give a 60-day notice if an off cycle change (Currently only Mounjaro)
7	Pharmacy Plan	Implement 340B Rx Mail Program	P- Containment of Pharmacy Cost; Limited Employee Disruption C-Employee Dissatisfaction – Mail Order program with annual telehealth visit required (42) estimated members	None	\$250,000	No earlier than 7/1/2025	340B is a federal program that allows eligible providers, primarily hospitals, to buy medications at deeply discounted prices. The district must give a 60-day notice if an off cycle change.

Recommendations

Strategy No.	Description	Impact	Balance
	Projected Plan Year 25-26 Shortfall		(\$4,888,212)
1.	Employer Contribution Increase (\$55 PEPM)	\$2,013,000	(\$2,875,212)
4.	Single Plan Offering (Basic Plan Only)	\$3,500,000	\$624,788
5.	Benefit Plan Changes (\$1,250/\$3,750 Ded, et al.)	\$230,000	\$854,788
6.	GLP-1 Rx Coinsurance (30%)	\$278,000	\$1,132,788
7.	340B Rx Mail Program	\$250,000	\$1,382,788

Current Plans

Plan Design	PPO-BASIC		PPO-HIGH		PPO-STATE	
Network	Blue Choice		Blue Choice		Blue Choice	
Benefit Summary	Benefit Summary					
Lifetime Maximum	Unlimited		Unlimited		Unlimited	
Deductible	In-Network	Out of Network	In-Network	Out of Network	In-Network	Out of Network
Individual	\$1,000	\$3,000	\$500	\$3,000	\$0	\$500
Family	\$3,000	\$9,000	\$1,500	\$6,000	\$0	\$1,500
Co-Insurance (District/Employee)	70%/30%	50%/50%	80%/20%	60%/40%	85%/15%	65%/35%
Out of Pocket Maximum	Out of Pocket Maximum					
Individual	\$5,000	\$9,000	\$3,500	\$6,500	\$500	\$3,500
Family	\$14,700	\$27,000	\$10,500	\$19,500	\$2,500	\$10,500
Office Visit Copay	Office Visit Copay					
PCP	\$30	50%	\$20	40%	\$20	35%
Specialist	\$30	50%	\$20	40%	\$30	35%
Emergency Room	\$200+30%	\$200+30%	\$150+20%	\$150+20%	\$75+15%	\$75+15%
Urgent Care	30%	50%	20%	20%	15%	15%
Prescription Drug Copays	Prescription Drug Copays					
Generic	\$7.50	100% of cost	\$7.50	100% of cost	\$7.50	100% of cost
Preferred	\$25.00	100% of cost	\$25.00	100% of cost	\$25.00	100% of cost
Non-Preferred	\$45.00	100% of cost	\$45.00	100% of cost	\$45.00	100% of cost
Cost Summary	PPO-BASE		PPO-HIGH		PPO-State	
Employee	\$65.00		\$146.00		\$284.00	
Employee & Child	\$244.00		\$330.00		\$572.00	
Employee & Children	\$436.00		\$532.00		N/A	
Employee & Spouse	\$543.00		\$762.00		\$723.00	
Employee & Family	\$733.00		\$918.00		\$1,112.00	
(2) Employee & Family	\$335.00		\$511.00		\$919.00	

Recommendation

	CURRENT		PROPOSED	
Plan Design	PPO-BASIC		PPO-BASIC	
Network	TBD		TBD	
Benefit Summary	Benefit Summary			
Lifetime Maximum	Unlimited		Unlimited	
Deductible	In-Network	Out of Network	In-Network	Out of Network
Individual	\$1,000	\$3,000	\$1,250	\$3,750
Family	\$3,000	\$9,000	\$3,750	\$11,250
Co-Insurance (District/Employee)	70%/30%	50%/50%	70%/30%	50%/50%
Out of Pocket Maximum	Out of Pocket Maximum			
Individual	\$5,000	\$9,000	\$5,500	\$9,000
Family	\$14,700	\$27,000	\$15,000	\$27,000
Office Visit Copay	Office Visit Copay			
PCP	\$30	50%	\$30	50%
Specialist	\$30	50%	\$40	50%
Emergency Room	\$200+30%	\$200+30%	\$200+30%	\$200+30%
Inpatient Hospital	N/A	N/A	\$300+30%	\$300+30%
Urgent Care	30%	50%	30%	50%
Prescription Drug Copays	Prescription Drug Copays			
Generic	\$7.50	100% of cost	\$7.50	100% of cost
Preferred	\$25.00	100% of cost	\$25.00	100% of cost
Non-Preferred	\$45.00	100% of cost	\$45.00	100% of cost
Specialty (GLP1 Drugs Only) NEW!	N/A	N/A	30% of cost	100% of cost
Cost Summary	PPO-BASIC		PPO-BASIC	
Employee	\$65.00		\$65.00	
Employee & Child	\$244.00		\$244.00	
Employee & Children	\$436.00		\$436.00	
Employee & Spouse	\$543.00		\$543.00	
Employee & Family	\$733.00		\$733.00	
(2) Employee & Family	\$335.00		\$335.00	

Highlight denotes a change from Current to Proposed Plan

Plan Comparisons

<u>BENEFIT</u>	Sharyland ISD	San Benito CISD	Point Isabel ISD	Harlingen CISD	Los Fresnos ISD	McAllen ISD	Donna ISD	Edinburg CISD	Brownsville ISD	Weslaco ISD	Mission CISD	PSJA ISD
<u>Deductible/Out of Pocket</u>												
Individual	\$1,250	\$5,000	\$1,000	\$1,750	\$1,500	\$1,000	\$4,500	\$1,000	\$750	\$750	\$2,000	\$750
Family	\$2,500	\$10,000	\$2,000	\$3,500	\$4,500	\$3,000	\$11,250	\$3,000	\$1,250	\$2,250	\$6,000	\$1,500
Max Out of Pocket (individual)	\$5,000	\$7,500	\$5,000	\$5,000	\$6,000	\$5,000	\$7,900	\$5,000	\$4,000	\$3,500	\$8,750	\$1,700
<u>Prescriptions</u>												
Generic	\$5	\$0	\$5	\$15	\$0	\$7.50	\$10	\$10	\$10	\$10	\$5	\$10
Formulary I	\$30	\$50	\$40	\$35	\$30	\$25	\$30	\$45	\$30	\$30	\$35	\$30
Formulary II	\$40	\$100	\$60	\$65	\$30	\$45	\$30	\$65	\$60	\$50	\$55	\$100
Specialty	Greater of \$100 copay or 10%	50% Rx copays after \$100 Rx deductible	Standard Copays apply	\$65 copay	\$100 copay	Standard Copays apply	10%, up to \$100	Standard Copays & Ded apply	20% co-insurance	10% copay up to \$100max/prescription	25%, \$150 max	10% co-insurance, up to \$100 max
<u>Cost - Monthly</u>												
Employee Only	\$12.00	\$0.00	\$92.50	\$0.00	\$90.00	\$65.00	\$29.00	\$60	\$15.00	\$31.06	\$43.92	\$0.00
Employee + 1 Child	N/A	N/A	N/A	\$407.39	\$366	\$244	\$253.55	N/A	N/A	\$250.88	N/A	N/A
Employee + Children	\$279.32	\$258	\$382.50	\$455.40	\$502	\$436	\$373.40	\$322	\$291.82	\$460.80	\$435.28	\$368.00
Employee + Spouse	\$360	\$459.00	\$427	\$556.59	\$630	\$543	\$386.78	\$438	\$404.41	\$555.12	\$539.95	\$571.00
Employee + Family	\$614.00	\$944.00	\$781.50	\$758.99	\$839.00	\$733.00	\$610.44	\$574.00	\$584.32	\$937.70	\$935.87	\$601.00
Employer Funding PEPM	\$435	\$476.00	\$479.83	\$502.18	\$520	\$521.50	\$550	\$614	\$630.00	\$691.42	\$733.32	\$750

Enrollment/Cost

<u>Basic Plan</u>	<u>Enrollment</u>	<u>Employee</u>
Employee Only	1667	\$ 65.00
Employee + One Child	176	\$ 244.00
Employee + (3) Children	157	\$ 436.00
Employee + Spouse	45	\$ 543.00
Employee + Family	136	\$ 733.00
(2) Employed + Family	<u>45</u>	<u>\$ 335.00</u>
Monthly Total	2226	

<u>High Plan</u>	<u>Enrollment</u>	<u>Employee</u>
Employee Only	282	\$ 146.00
Employee + One Child	73	\$ 330.00
Employee + (3) Children	73	\$ 532.00
Employee + Spouse	9	\$ 762.00
Employee + Family	30	\$ 918.00
(2) Employed + Family	<u>33</u>	<u>\$ 511.00</u>
Monthly Total	500	

<u>State Plan</u>	<u>Enrollment</u>	<u>Employee</u>
Employee Only	20	\$ 284.00
Employee + One Child	3	\$ 572.00
Employee + (3) Children	0	\$ -
Employee + Spouse	7	\$ 723.00
Employee + Family	6	\$ 1,112.00
(2) Employed + Family	<u>0</u>	<u>\$ -</u>
Monthly Total	36	

<u>Alternate Plan</u>	<u>Enrollment</u>	<u>Employee</u>
Employee Only	<u>288</u>	\$ -
Monthly Total	288	\$ -

Total Enrollment: 3050