

**INDEPENDENT SCHOOL DISTRICT 271  
Bloomington, MN**

**REQUEST FOR SCHOOL BOARD ACTION**

DATE OF BOARD MEETING: April 8, 2019

SUBJECT: 2019-20 and 2020-21 District Self-Funded Group Insurance Rates

ORIGINATING DEPARTMENT: Office of Human Resources

APPROVAL OF ADMINISTRATOR: Mary Burroughs  
Executive Director of Human Resources

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**RESOLUTION FOR BOARD TO ADOPT:**

RESOLVED that the School Board of Independent School District 271 sets the monthly premium rates recommended by the District insurance consultant for the District self-funded group insurance programs for the 12-month period from July 1, 2019 to June 30, 2020, and for the District self-funded group health insurance program for the 12-month period for July 1, 2020 to June 30, 2021, per the attached Memo #1.

1. For 2019-20, increase health insurance premiums by 1%. For 2020-21, increase health insurance premiums by an additional 1%.
2. Increase the out-of-pocket maximum for out-of-network only and minimum deductible amounts to the limits allowed by IRS regulations.
3. No change in dental insurance premiums for 2019-20 or 2020-21.

**RECOMMENDATION OF SUPERINTENDENT:**

Approve.

**BACKGROUND:**

This School Board motion follows the move in 2010 to consolidate School Board motions regarding District group insurance. The attached Memo #1 provides the specifics of the recommended action, as well as significant background information.

*Recommended by Office of Human Resources, Labor Management Committee, District Benefits Consultant, Administrative Council, Office of Business Services, and District Legal Counsel.*

Office of Human Resources

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TO: School Board  
 CC: Cabinet, Holman Law Office  
 FROM: Mary Burroughs, HR Director  
 DATE: April 8, 2019  
 RE: Memo #1: District Self-Funded Group Insurance Rates

The Office of Human Resources, Labor Management Committee and Corporate Health Systems, Inc. (District Benefits Consultant) recommend the monthly premium rates per underwriting for the District self-funded group insurance programs for the 12-month period from July 1, 2019 to June 30, 2020. The recommendation also includes monthly premium rates per underwriting for the District self-funded group health insurance program for the 12-month period from July 1, 2020 to June 30, 2021.

1. **Health Insurance (High Deductible Health Plan):** 1% increase each for 2019-20 and 2020-21.

Premium	2018-19	2019-20	2020-21
Employee-Only	\$ 836.00	\$844.00	\$852.00
Employee-plus-One	\$1756.00	\$1,774.00	\$1,792.00
Family	\$1,922.00	\$1,941.00	\$1,960.00

- Estimated 2015-16 Annual Costs, as of 3/22: \$17,130,933 (per OneDigital)

2. **Deductible/Out-of-pocket Maximum:** per IRS regulations

Deductible	2018-19	2019-20
Employee-Only	\$1,350.00	\$1,350.00
Employee-plus-One & Family	\$2,700.00	\$2,700.00

Out-of-pocket Maximum	2018-19	2019-20
Employee-Only	\$ 6,650.00	\$ 6,750.00
Employee-plus-One & Family	\$13,300.00	\$13,500.00

- Out-of-pocket Maximum: In-network: 100% / Out-of-network: 80/20 co-insurance

3. **Dental Insurance:** No increase

Premium	2018-19	2019-20 & 2020-21
Employee-Only Preventative	\$ 24.50	\$ 24.50
Employee-Only Comprehensive	\$ 37.70	\$ 37.70
Family Comprehensive	\$111.45	\$111.45

- Estimated 2015-16 Annual Costs, as of 3/22: \$1,329,045 (per Corporate Health Systems)

After careful analysis of current health insurance claims, predicted claims, medical trend, and fixed costs rate caps, Labor Management Committee recommends setting premiums for two years, which aligns with upcoming negotiations for 2019-21 collective bargaining agreements (two years).

If the Board approves this action, the Office of Human Resources will use this information for 2019-20 Open Enrollment from April 15 to April 26.