



Platte County

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To: Board of Education
From: Ashley Jones, Executive Director of Human Resources
Date: April 7, 2025
Subject: Recommendation for Transition to Self-Insured Medical Plan with SIPGKC

Recommendation Overview

After a comprehensive evaluation of medical plan funding options, we recommend transitioning from a fully insured model to a self-insured plan with the Self Insurance Pool of Greater Kansas City (SIPGKC). This move presents significant long-term financial, operational, and employee benefit advantages that align with the district's strategic goals for employee benefits.

The proposed transition would result in a 9% increase in spending, equivalent to an additional \$394,218 annually. While this represents an initial increase, the move positions the district for long-term financial stability and improved healthcare management.

Key Factors Supporting Recommendation

1. Model
 - SIPGKC operates as a proven self-insured model with four current member districts, including Blue Springs, Grain Valley, Fort Osage, and Smithville.
 - This model allows the district to assume liability for healthcare costs while gaining greater control over plan expenses.
 - The self-insured model supports long-term financial sustainability by reducing reliance on external insurer pricing models.
2. Fiscal Management
 - SIPGKC allows greater control over plan expenses, reducing reliance on external insurers' pricing models and ensuring better cost management.
 - The proposed Board of Education cap increases from \$666 to \$726 per month (\$7,992 to \$8,712 annually).
 - Access to advanced data analytics, auditing tools, and actuarial support enables better forecasting and financial oversight.
 - With greater control over claims management, the district can implement proactive cost-containment strategies, resulting in long-term savings.
 - By joining SIPGKC, the District collaborates with peer districts, gaining collective negotiating power and greater stability in rates.
3. Enhanced Employee Benefits
 - The transition introduces a board-paid Broad Network Option through Cigna, enhancing accessibility and provider flexibility for employees.
 - SIPGKC participation opens the opportunity for in-district wellness clinics, similar to the Blue Springs School District model, which avoided \$1.5 million in healthcare expenses last year alone.
 - Continued investment in wellness programs, such as weight management and preventive care, reduces long-term medical costs.
4. Operational & Administrative Advantages

- SIPGKC provides high-cost claimant oversight, pharmacy claims management, and COBRA and retiree collection services, ensuring streamlined operations.
- Dedicated call center, one-on-one enrollment counselors, and improved communication materials.
- Participation in SIPGKC’s Ancillary Benefits Program through Alliant Insurance Services further enhances employee benefit offerings.

Health Insurance Summary 7.6

The District has seen a modest increase in health insurance rates over the past seven years, while employee benefits have remained relatively stable. Several factors influence costs, including claims experience, medical inflation, ongoing claims, employee wellness, and overall plan design.

- Proposed Carrier: Cigna (via SIPGKC)
- Cost Per Employee: Increasing from \$666 to \$726 per month
- Annual Cap Increase: From \$7,992 to \$8,712
- Deductible: Remains at \$2,200
- Max Out-of-Pocket: Remains at \$5,850
- Rate Change: +9% for 2025-2026

This year, Aetna’s initial renewal offer was 34.9%. Aetna provided a revised offer at 23.8% and Blue Cross Blue Shield proposed a competitive offer. However, after continued engagement with SIPGKC, we finalized the decision to recommend a transition to a self-insured model, shifting our network from Aetna to Cigna. As part of this transition, we are introducing a second High Deductible Health Plan, offering access to Cigna’s Broad network.

General Info	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Carrier	BCBS	BCBS	Aetna	Aetna	Aetna	Aetna	Aetna	Cigna
Cost per Employee	\$457	\$474	\$502	\$565	\$617	\$666	\$666	\$726
Rate Change	-1.08%	3.72%	5.90%	12.5%	9.23%	7.95%	0%	9%

Recommendation

Based on the financial, operational, and employee benefit advantages, we recommend that the Board of Education approve the transition to a self-insured medical plan with SIPGKC. This proactive shift will enhance financial sustainability, improve plan flexibility, and support the long-term well-being of our employees.

Furthermore, we recommend the Board of Education approve the voluntary benefit proposals from Alliant.