



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 10.2

Meeting Date: May 7, 2020

Subject: District 2020-2021 Healthcare Plan Renewal Rates Update

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated:)
- Conference/Action
- Action
- Public Hearing

Division: Business Services

Recommendation: Receive information from District's healthcare broker, Keenan & Associates, regarding the District's 2020-2021 Healthcare Plan Renewal Rates.

Background/Rationale: The District contributes 100% of the premium costs for certificated employee healthcare plans, specifically Kaiser Permanente and HealthNet. Keenan annually negotiates the renewal rates with Kaiser and HealthNet. For the 2020-2021 year that begins on July 1, the premium rates for active employees and early retirees are increasing by 12.26% for Kaiser and 7% for HealthNet. Additionally, and including the rates for the District's post-65 retiree contributions which are also increasing, the total rate for the District's healthcare contribution is increasing 8.88%.

Financial Considerations: As a result of the above increases, the District will incur approximately \$4.8 million in increased costs in 2020-2021 as compared to current 2019-2020 healthcare costs. This amount also well exceeds the \$1.8 million increase which the District had budgeted for 2020-2021.

LCAP Goal(s): Sound fiscal operations

Documents Attached:

NA

<p>Estimated Time of Presentation: 10 Minutes Submitted by: Rose Ramos, Chief Business Officer Approved by: Jorge A. Aguilar, Superintendent</p>
