Public Employees Health Benefit Act
Senate Bills 418 - 421

The **Public Employees' Health Benefit Act** has been introduced as Senate Bills 418 - 421. These bills include the following:

State Sponsored Catastrophic Stop Loss Coverage

- A voluntary, state-sponsored program to pool catastrophic claims across participating public employers.
- The program will be funded through premiums paid by participating public employers and will offer multiple coverage options.
- The program will save public employers an estimated 40% of catastrophic premiums through the reduction of commissions, expenses, risk charges, and profit/contribution to reserves.

Comprehensive Health Care Purchased Through Coalition/Regional Pools

- Public employers will be encouraged to join together to form regional purchasing pools or to participate in local purchasing pools consistent with maintaining existing collective bargaining rights.
- Purchasing pools offer the opportunity for public employers to leverage the purchasing power of a coalition to obtain improved pricing of administrative services and the savings that accrue from self-funding.

Transparent Health Care Cost Information for Public Employer and Employees

- Public employers will have access to detailed claims information at the hospital and physician level, subject to meeting HIPAA regulations.
- Public employees will have access to information on the cost of physician and hospital health care services.

Disclosure of Hospital and Physician Performance on Measures of Quality

- Public employees will be provided information from credible sources on the performance of health care providers on measures of quality.

State-of-the-Art Programs to Improve Member Health

- Public employers will be encouraged to have state-of-the-art programs, based on national best practices for health promotion and disease management.

- Incentives will be developed in the state-sponsored catastrophic program for public employers who offer health promotion and disease management programs that reflect national standards.

Efficient Administrative Services that Leverage Industry Standards and Information Technology within a Comprehensive Environment

- A common set of administrative performance standards will be developed using industry standards.

- Administrators of health care plans for public employees will be benchmarked annually against these standards.

- Greater competition among administrators of public health care plans will occur as public employers seek to contract with administrators who meet or exceed the standards.

Talking Points:

- This proposal will save public employers and employees' money spent on health care.

- It will maintain collective bargaining rights and the ability to negotiate health care coverage at the local level.

- The state **will not mandate participation** in the local insurance pools, but we are convinced that if employees exercise the option through collective bargaining, there will be significant health care cost savings.

- Participation in this plan will be open to all school districts, public school academies, intermediate school districts, community and junior colleges, public universities, and other public employers.

- This legislative proposal will provide employees and employers with health care claim utilization and cost data which can be used to make informed decisions about health care benefits and costs through the collective bargaining process.

- In total, we estimate school health care savings of 8% without reducing employee coverage. These are real dollars that can be used for programs and services to students and communities.