

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2384

DATE: March 4, 2004

Version: First engrossment

Authors: Davids and others

Subject: School employee health insurance pool

Analyst: Thomas R. Pender, 651-296-1885

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill arises out of legislation enacted in 2002, creating a group to study and design a statewide health insurance pool for school employees. This bill would create such a pool, which would be the source of health coverage for all school districts.

Section

1 School employee insurance plan.

Subd. 1. Definitions. Defines the terms "eligible employee" and "eligible employer." An eligible employer is a school district or a related entity listed in the definition.

Subd. 2. Creation of board. Creates a board to create and administer the health insurance pool. The board would be a public corporation. Provides the board with general powers.

Subd. 3. Board of directors. Provides that the board has 14 members: seven appointed by school employee unions and seven appointed by the Minnesota School Boards Association. Requires that initial appointments to the board be made by August 1, 2004. Provides that board members are eligible for reimbursement of expenses on the same basis as members of other state-related boards. Requires the board to arrange for ways of resolving disputes within the board to avoid deadlocks.

Section

Subd. 4. Nature of the plan. (a) Requires that the insurance pool be available to all eligible employees of eligible employers.

(b) Requires eligible employers to provide health coverage only through the pool.

(c) Gives the board discretion to design the pool so as to provide the optimal combination of coverage, cost, choice, and stability, in the judgment of the board.

(d) Provides that the pool may include a choice of health plans and more than one level of premium rates charged to the employers. Permits geographic variations.

(e) Requires claims reserves, stabilization reserves, reinsurance, and other features to achieve long-term stability and solvency.

(f) Permits the board to decide whether the pool should be fully-insured, self-insured, or some combination.

(g) Requires the pool to include consumer education, wellness programs, and measures to encourage wise use of health care.

(h) Permits the pool to cover Medicare enrollees separately, including providing coverage that supplements Medicare.

Subd. 5. Starting date of the pool; transition. (a) Requires the pool to begin coverage as of July 1, 2005. Requires that the details about the coverage be available by March 1, 2005.

(b) Requires eligible employers to provide coverage to employees through the pool beginning on July 1, 2005, or as soon after that as permitted by collective bargaining agreements.

Subd. 6. Periodic evaluation. (a) Requires the board to report to the legislature on its performance after its first three years of operation.

(b) Requires similar reports every two years after the report required in paragraph (a).

2 Appropriation; loan. Provides an appropriation of an unspecified amount as a loan for start-up costs. Requires that the loan be repaid over ten years.