

SENATE BILL NO. 69

INTRODUCED BY M. MOE

BY REQUEST OF THE SCHOOL FUNDING INTERIM COMMISSION

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN INTERIM TASK FORCE TO STUDY PUBLIC EMPLOYEE HEALTH BENEFITS TO DETERMINE WHETHER CHANGES TO MONTANA'S CURRENT SYSTEM WOULD IMPROVE HEALTH OUTCOMES, CARE AVAILABILITY, COST EFFICIENCY, AND BENEFIT PARITY; SPECIFYING MEMBERS AND DUTIES; PROVIDING A CONTINGENT VOIDNESS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

WHEREAS, Montana currently has two large public employee health benefit pools, one for state employees and the other for university system employees; and

WHEREAS, employees of local government subdivisions, including public school districts, public education cooperatives, and Montana regional education service areas are not members of either of these pools; and

WHEREAS, local government public employee health care costs and benefits are grossly variable across the state; and

WHEREAS, health care cost trends continue to increase at rates exceeding CPI and wage growth; and

WHEREAS, operating employee health plans encumbers a steadily increasing percentage of state and local government budgets and employee pay; and

WHEREAS, examining benefits of economies of scale and efficiencies in health care plans is important to Montana taxpayers and public employees; and

WHEREAS, selecting, obtaining, and implementing health care insurance demands informed but difficult-to-assume expertise; and

WHEREAS, the current disparity in health insurance coverage, premiums, and access to care creates serious obstacles to recruitment and retention of public employees in large and small Montana communities; and

WHEREAS, with federal requirements that more employees be covered by group insurance and with the 2018 implementation of the Affordable Care Act excise tax on high-premium plans, costs will rise for those not able to benefit from economies of scale in administration, health care purchasing, and effective prevention, wellness, and health management programs.



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2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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4 NEW SECTION. **Section 1. Task force on public employee health benefits -- membership.** (1)

5 There is a task force on public employee health benefits.

6 (2) The task force consists of 10 members appointed as follows:

7 (a) two members of the house of representatives, one of whom must be appointed by the speaker of the
8 house and one of whom must be appointed by the house minority leader;9 (b) two members of the senate, one of whom must be appointed by the senate president and one of
10 whom must be appointed by the senate minority leader;11 (c) six members appointed by the governor, none of whom may be a currently serving legislator,
12 including:

13 (i) one K-12 teacher;

14 (ii) one K-12 administrator;

15 (iii) one K-12 elected trustee or school business official;

16 (iv) one representative of local or county government employees;

17 (v) one representative of elected local or county officials; and

18 (vi) one representative of Montana taxpayers.

19 (3) Legislative members are entitled to receive compensation and expenses as provided in 5-2-302.

20 Members appointed pursuant to subsection (2)(c) are entitled to reimbursement for travel expenses as provided
21 in 2-18-501 through 2-18-503.22 (4) The task force shall select a presiding officer and vice presiding officer by majority vote. The presiding
23 officer and vice presiding officer must be legislative members.24 (5) The legislative services division shall provide staff assistance to the task force. The legislative fiscal
25 division, the governor's office of budget and program planning, the Montana university system, local government
26 subdivisions, and the department of administration shall provide information upon request.

27 (6) For the purposes of the task force, the term "local government" includes public school districts.

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29 NEW SECTION. **Section 2. Task force duties.** (1) The task force shall:

30 (a) study the plan costs and benefits offered by:

- 1 (i) the state employee health plan;
 2 (ii) the university system employee health plan;
 3 (iii) a representative sampling of local government employee health plans; and
 4 (iv) a representative sample of K-12 employee health plans, including self-funded trusts and fully insured
 5 plans of schools in various regions of the state with representation of schools of varying enrollment and staff size;

6 (b) determine the likelihood that structural changes to Montana's current system would result in
 7 improvements related to health outcomes, care availability, cost efficiency, and benefit parity through means
 8 which may include:

- 9 (i) examining public employee health benefit systems of other states;
 10 (ii) consulting with health care policy experts; and
 11 (iii) contracting for actuarial analyses of potential structural changes;
 12 (c) if the task force determines that structural changes would likely result in improvements, develop a
 13 plan to pursue these changes.

14 (2) The task force may examine any other issues related to employee health benefits that it deems
 15 necessary in conducting this study.

16 (3) The task force shall obtain input from the various stakeholders of this wide-reaching issue and, to
 17 the extent possible, consult with outside experts about Montana's employee health benefit system and systems
 18 in other states.

19 (4) All aspects of the task force, including reporting requirements, must be concluded prior to September
 20 15, 2018. The task force shall prepare a final report of its findings, conclusions, and recommendations and shall
 21 prepare draft legislation whenever appropriate. The task force shall submit the final report to the governor and
 22 the 66th legislature as provided in 5-11-210.

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 24 **NEW SECTION. Section 3. Contingent voidness.** (1) Pursuant to Joint Rule 40-65, if [this act] does
 25 not include an appropriation prior to being transmitted to the governor, then [this act] is void.

26 (2) If the appropriation in [this act] is vetoed, then [this act] is void.

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 28 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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 30 **NEW SECTION. Section 5. Termination.** [This act] terminates December 31, 2018.

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