

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 250 Session of 2013

INTRODUCED BY ARGALL, TEPLITZ, BREWSTER, HUGHES, PILEGGI,
YUDICHAK, WAUGH, SCARNATI, MENSCH, ERICKSON, STACK,
TARTAGLIONE, SMUCKER AND BROWNE, NOVEMBER 12, 2013

AS AMENDED, MARCH 31, 2014

A RESOLUTION

1 Directing the Legislative Budget and Finance Committee to
2 conduct a study relating to the feasibility and cost-
3 effectiveness of merging public school district health care
4 plans.

5 WHEREAS, There is increasing concern among the citizen
6 taxpayers of this Commonwealth over the rising cost of education
7 in our public schools; and

8 WHEREAS, School board members and business managers have
9 noted that the costs of benefits, particularly those related to
10 health care, are among the fastest growing expenditures in a
11 district's budget and this problem is particularly acute in
12 rapidly growing and urban districts; and

13 WHEREAS, The size and composition of an insured group
14 directly impacts the costs of coverage, with larger groups being
15 afforded better rates; and

16 WHEREAS, The extent of health benefit coverage provided to
17 school employees is currently negotiated locally, with the
18 result that the State has no control over the growth in these

1 expenditures; and

2 WHEREAS, It is critical to assure taxpayers that governmental
3 agencies are providing services in an efficient and cost-
4 effective manner BASED ON A THOROUGH EXAMINATION OF EXISTING <--
5 SCHOOL ENTITY INSURANCE POLICIES AND CONTRACTS, INCLUDING
6 REGIONAL DIFFERENCES, so as to provide maximum utilization of
7 taxpayer dollars; therefore be it

8 RESOLVED, That the Legislative Budget and Finance Committee
9 be directed to conduct a study relating to the practicability
10 and potential cost-effectiveness of merging public school
11 employees under the same group health benefits package; and be
12 it further

13 RESOLVED, That for the purposes of this study, health
14 benefits include medical, dental, vision and prescription drug
15 programs and that this study include:

16 (1) ~~An~~ A DETAILED analysis of the specific health <--
17 benefits, POLICIES AND CONTRACTS currently provided ~~by~~ OR <--
18 OPERATED BY AT LEAST 50% OF THE school entities throughout
19 this Commonwealth, the premium costs related thereto and the
20 pattern of growth in these costs.

21 (2) Cost of current benefits for the next five years.

22 (3) Cost of current school employee contribution or
23 average per employee.

24 (4) Impact on the Public School Employees' Retirement
25 System and State Employees' Retirement System.

26 (5) Comparison of coverage with average taxpayer in the
27 relevant region.

28 (6) Regionalization versus one health care plan.

29 (7) Cost savings realized with consortiums compared to
30 prior consortiums.

1 (8) Administrative, staffing and technology costs
2 associated with forming mergers.

3 (9) Comparison of school employees versus Commonwealth
4 employees.

5 (10) Cost of least used benefits by school employees.

6 (11) Cost impact of the Patient Protection and
7 Affordable Care Act (Public Law 111-148, 124 Stat. 119);
8 and be it further

9 RESOLVED, That in compiling this report the Legislative
10 Budget and Finance Committee seek input from the Department of
11 Education, the State Board of Education, the Pennsylvania
12 Association of School Business Officials, the Pennsylvania
13 School Boards Association, the Pennsylvania State Education
14 Association, the Pennsylvania Federation of Teachers, group
15 insurance providers and any other groups or individuals who may
16 have information relevant to this study; and be it further

17 RESOLVED, That the Legislative Budget and Finance Committee
18 report its findings and recommendations to the Senate no later
19 than ~~June~~ NOVEMBER 30, 2014.

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