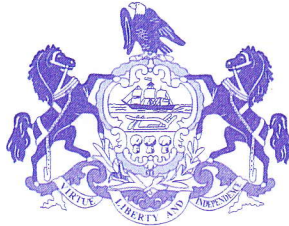


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MEMORANDUM

TO: All House Members

FROM: Representative Bernie O'Neill *BT*
Representative Mike Hanna, Democratic Whip *MH*

DATE: October 19, 2011

RE: Proposed Legislation – Public School Employees Benefit Board legislation

In the near future, we intend to introduce legislation establishing the Public School Employees Benefit Board. The Board will be comprised of twenty members, representing school employees, school boards, the legislature and the administration. The duties of this board would be to conduct a comprehensive study of health benefits currently provided to public school employers and the cost effectiveness of a statewide public school employee health care benefit program.

Once the board has completed its study, the board will determine whether to proceed with one of two options. In order to proceed on either option, a qualified majority of board members – at least 15 of the 20 members – is required to vote for that option. The first option that could be pursued by the board, with a qualified majority vote, would be to *develop* a statewide public school health care benefits program, including the design and implementation of such a program. This includes, but is not limited to establishing health plan options, benefit offerings, eligibility requirements, employee-cost sharing requirements, and payment provisions. Before the program could be *established* a qualified majority vote by the board would be required to approve the program.

If the board decided against proceeding with the first option, the board could decide by a qualified majority vote to *develop* an alternative measures program, such as consolidating coverage regionally, consolidating selected areas of coverage such as prescriptions, and/or developing best practice standards and benchmarks for current health care plans. In order to *establish* the alternative measures program a qualified majority of board members would be required to approve the program.

This legislation provides additional oversight by the legislature before a statewide public school health care benefits program can be implemented by the board. The board can proceed with implementation of the program unless a legislative resolution to the contrary is adopted by the legislature within 45 days after publication of the plan. The process by which

OCT 26 2011

a resolution would be enacted by the legislature would be similar to the existing regulatory review process.

As health care costs continue to rise in our Commonwealth and across the nation, we believe this legislation to be of great importance. Thank you for your consideration and support of this very important piece of legislation.

If you would like to co-sponsor this legislation, please contact Connie McClure in my Harrisburg office at 705-7170 or by e-mailing cmclure@pahousegop.com.