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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE RESOLUTION

No. 250 Session of  
2013

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

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REFERRED TO EDUCATION, NOVEMBER 12, 2013

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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 so as to provide maximum utilization of  
5 taxpayer dollars; therefore be it

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

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

14 (1) An analysis of the specific health benefits  
15 currently provided by school entities throughout this  
16 Commonwealth, the premium costs related thereto and the  
17 pattern of growth in these costs.

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

19 (3) Cost of current school employee contribution or  
20 average per employee.

21 (4) Impact on the Public School Employees' Retirement  
22 System and State Employees' Retirement System.

23 (5) Comparison of coverage with average taxpayer in the  
24 relevant region.

25 (6) Regionalization versus one health care plan.

26 (7) Cost savings realized with consortiums compared to  
27 prior consortiums.

28 (8) Administrative, staffing and technology costs  
29 associated with forming mergers.

30 (9) Comparison of school employees versus Commonwealth

1 employees.

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

3 (11) Cost impact of the Patient Protection and  
4 Affordable Care Act (Public Law 111-148, 124 Stat. 119);

5 and be it further

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

14 RESOLVED, That the Legislative Budget and Finance Committee  
15 report its findings and recommendations to the Senate no later  
16 than June 30, 2014.