



## Association of Metropolitan School Districts

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# AMSD Position on School Employee Health Insurance

**The Association of Metropolitan School Districts opposes the establishment of a mandatory statewide health insurance pool for school employees and supports requiring the approval of all collective bargaining units, and the school board, before an individual employee group can move to the Public Employee Insurance Program.**

## AMSD BELIEVES

- Health insurance costs should be controlled in a manner that preserves local control and allows locally elected school boards to work in partnership with their employees and communities.
- The most effective way to control costs is by lowering utilization through consumer education, implementing disease management and wellness programs and providing incentives to use less costly services. Simply creating a large pool is not the answer to getting health care costs under control. Local school districts are best able to achieve these goals working collaboratively with their local employee groups.

## BACKGROUND

The 2002 Minnesota Legislature created the School Employee Insurance Plan Study and Design Committee. The study, administered by the Department of Commerce, explored the feasibility and desirability of various pool arrangements for school district employees including the establishment of a mandatory statewide school employee health insurance program.<sup>1</sup> Over two years, the committee, consisting of members from

management and labor, collected a large amount of data from school districts and health care providers alike. While the final report by the committee's actuarial consultant predicted overall financial savings from the creation of a mandatory pool for school employees, it is important to note that the committee split on their recommendations. The recommendations were essentially split between labor and management representatives, with labor favoring a mandatory statewide pool and management favoring a voluntary pool.

The Health Insurance Transparency ACT (HITA) was signed into law in the 2014 legislative session. HITA strictly regulates how school districts solicit bids for health insurance adding administrative costs and burden to the health insurance renewal processes. In addition, state law allows individual employee groups to unilaterally enroll in the Public Employee Insurance Program without consulting or collaborating with other bargaining units or the school board.

## Endnotes

<sup>1</sup> Report available at: <http://www.osa.state.mn.us/Other/councils/CollaborativeGovernance/051612/RedenAndersStatewideHlthInsStudy.pdf>