



David Fogarty

Bill Analysis
Legislative Service Commission

H.B. 391

123rd General Assembly
(As Introduced)

Reps. Stapleton, Van Vyven, Schuck, Schuler, Grendell, Willamowski, Ford, R. Miller, Maier, Hartnett

BILL SUMMARY

- Permits a board of education to offer health care benefits to school district employees through participation in state employee health care plans.

CONTENT AND OPERATION

Background

Current law gives boards of education authority to provide various types of insurance benefits for school district employees. R.C. § 3313.202 allows a board of education to pay for all or part of the cost of group term life, hospitalization, surgical, or major medical insurance. R.C. § 9.90 authorizes a board of education to purchase various types of insurance for employees. In addition to these provisions, a board of education is authorized to enter into agreements with other political subdivisions for the joint purchasing of insurance plans to provide health care benefits. (R.C. § 9.833(B)(4).)

School district participation in state employee health care plans

(sec. 9.90)

The bill provides that as an alternative to procuring health insurance under the authority granted under current law, the board of education of any school district may obtain health care coverage for or on behalf of employees of the district by participating in state employee health care plans.

Board of education duties

(sec. 125.042(B), (D), and (E))

The bill provides that a school district board of education may adopt a resolution choosing to offer health care benefits to school district employees

through its participation in state health care plans. A board of education's choice to participate in state employee health care plans does not limit the board's authority to purchase, procure, or participate in any other health care benefit plan.

Under the bill, a board of education may offer health care benefits to all employees of the school district through its participation in state employee health care plans, or may limit the offer of such benefits to identified groups of employees, including teaching or nonteaching employees, board members, or employees covered by a collective bargaining agreement. A board of education may limit its participation in state employee health care plans to one of, or to a limited number of, the state employee health care plans available to it.

The bill provides that the resolution adopted by the board of education must include an acknowledgment of the board's acceptance of the health care benefits provided by the state employee health care plans and acceptance of the period of coverage provided by the plans. On adoption of a resolution, a board of education must file an application for participation with the Department of Administrative Services. The application must be provided to the Department not later than the 31st day of January in the year that the school district employees' participation in the state employee health care plans is to begin. The application must identify the school district employees who are to be eligible to participate in state employee health care plans and the state employee health care plans that are to be offered to the school district's employees.

Department of Administrative Services duties

(sec. 125.042(C) and (F))

The bill provides that on receipt of an application for participation from a board of education, the Department of Administrative Services must make state employee health care plan coverage available to those school district employees identified in the board of education's application for participation. A board's participation is subject to a determination by the Director of Administrative Services that the requirements in the bill, as well as the requirements of any rules adopted by the Director, have been met.

The Department of Administrative Services is also required by the bill to mail annually to the superintendent of every public school district in Ohio notice that a board of education may offer health care benefits to school district employees through participation in state employee health care plans. A board of education may request that the Department of Administrative Services describe the state employee health care plans available at that time in the county or counties served by the school district. On receipt of the request, the Department of Administrative Services must provide the information at a reasonable cost.

Department of Administrative Services rulemaking authority

(sec. 125.042(H))

The bill provides that the Director of Administrative Services may adopt rules in accordance with the Administrative Procedure Act to carry out the purposes of the bill. The rules must be designed to encourage the participation of boards of education, in order to promote the coverage of school district employees under state employee health care plans. The rules must contain provisions establishing the following:

(1) The form of the description of state employee health care plans to be made available to boards of education;

(2) The form of the application for participation to be filed with the Department of Administrative Services;

(3) The manner in which state employee health care plan coverage is to be offered to eligible school district employees;

(4) The method of a school district's payment of the cost of the coverage provided to its employees, with the premium for coverage of a school district employee to be equal to the premium for coverage of a state employee;

(5) A procedure for terminating a school district's participation, which may allow for the imposition of restrictions on the school district's future participation if the school district fails to fully fund its employees' participation;

(6) A reasonable administrative fee that may be imposed on a school district by the Department of Administrative Services in addition to the amount assessed to a school district for coverage.

Participation and lobbying by schools and other organizations

(sec. 125.042(G))

The bill provides that no board of education, school district employee or professional association or organization associated with a board of education or school district employee is to participate in, lobby, or attempt to influence any negotiations related to the state's procurement of health care plans or the state's negotiation of an employee labor contract. The bill does not include a penalty for violation of this provision.

Date of participation

(sec. 125.042(I))

The bill provides that school districts may not participate in state health care plans under the procedures established by the bill prior to July 1, 2000.

Participation of political subdivisions in state employee health care plans

(sec. 125.04)

Current law provides that the Department of Administrative Services may permit a political subdivision to participate in contracts into which the Department has entered for the purchase of supplies and services.¹ The bill specifies that this provision does not permit a political subdivision to participate in any health care contract entered into by the Department for the provision of health care benefits to state employees. The bill also provides that the board of education of a school district may apply for participation in state employee health care plans under the procedures established by the bill.

Board of education authority to provide health care benefits

(sec. 3313.202)

Current law provides that a school district board of education may procure or pay for all or part of certain benefits for its employees. The bill provides that the board may provide benefits for its employees by choosing to participate in state employee health care plans.

Study by the Director of Administrative Services

(Section 3)

The bill requires the Director of Administrative Services to study the changes that are needed to permit the participation in state employee health plans of those school district employees receiving health care benefits under a contract or school district benefit schedule that does not correspond to the time period for state health care plan coverage. The Director is to report the findings and recommendations to the General Assembly not later than December 31, 2000.

¹ "Political subdivision" is defined in this section of the Revised Code as "any county, township, municipal corporation, school district, conservancy district, township park district, park district, regional transit authority, regional airport authority, regional water and sewer district, or port authority."

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	06-17-99	p. 893

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