

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Health coverage for school district employees

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### Section

- 1 Exemption.** Requires the public employees insurance program (PEIP) to follow requirements proposed for enactment in Minnesota Statutes, section 471.6161, subdivision 8, of this bill.
- 2 Proposal from school district; response required.** Requires the public employees insurance program (PEIP) to respond to a request for proposal (RFP) from a school district within 60 days.
- 3 Duties and powers of SC board of directors.** Provides that a service cooperative (SC) committee is considered to be a committee of a public body, when addressing issues related to health insurance. This satisfies the open meeting law.
- 4 Appointment of advisory council.** Same as preceding section but applies to service cooperatives advisory councils, when addressing issues related to health insurance. This satisfies the open meeting law.
- 5 Board to fix compensation.** Prohibits board members and school district employees from receiving compensation or benefits based on incentives or other money provided to the school district by a source of group insurance coverage referenced in section 10 of this bill, except for a rebate described in section 6 of this bill.
- 6 Insurance premium rebates.** Provides that if a school district receives a refund from its provider of health coverage, the school district must negotiate with the exclusive representative (union) regarding the proportionate number of insured lives covered by that exclusive representative. Specifies how this process must be handled if there is no exclusive representative or if the exclusive representative and the employer cannot come to an

## Section

agreement.

- 7 **Conflict of interest.** Prohibits a charter school member, employee, or officer from accepting gifts or requesting that gifts be given to others, including compensation from a group health insurance provider.
- 8 **Employment and other operating matters.** Specifies how charter schools must purchase group health insurance coverage, using a sealed proposal process.
- 9 **Collective bargaining.** Requires the board of directors of a charter school to comply with Minnesota Statutes, sections 471.6161 and 471.895, parts of which are included in sections 10 to 13 of this bill.
- 10 **Group insurance coverage.** Describes the process required for purchase of group health coverage for school districts from sources of coverage that include health plan companies, the public employee insurance program (PEIP), service cooperatives, and self-insurance.
- 11 **Selection of carrier.** Specifies how a political subdivision, including a school district, should select a source of group health insurance for its employees.
- 12 **School districts; group health insurance coverage.** Specifies the process for school districts to contract for group health insurance coverage. Requires school districts to request proposals 150 days before expiration of the existing contract, but not more frequently than once every 24 months. Prohibits contracts longer than two years unless the exclusive representative of the largest employee group and the school district agree otherwise. Includes certain requirements specific to selection of a self-insurance plan.
- 13 **Definitions.** Defines the term “local official” for purposes of gift ban laws.
- 14 **Appropriation.** Appropriates \$1,000,000 for fiscal year 2015 for purposes of paying for costs incurred by the Public Employee Insurance Plan in connection with reviewing proposals submitted to PEIP by school districts.
- 15 **Effective date.** Effective July 1, 2014.