

# 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 contained in section 10, paragraphs (a) and (c), 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 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 8 of this bill, except for a rebate described in section 4 of this bill.
- 4 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 agreement.
- 5 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.
- 6 Employment and other operating matters.** Specifies how charter schools must purchase group health insurance coverage, using a sealed proposal process.

## Section

- 7**        **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 8 to 11 of this bill.
- 8**        **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.
- 9**        **Selection of carrier.** Specifies how a political subdivision, including a school district, should select a source of group health insurance for its employees.
- 10**       **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.
- 11**       **Definitions.** Defines the term “local official” for purposes of gift ban laws. Includes a representative of an exclusive bargaining unit authorized to make decisions about a school district’s group insurance coverage.
- 12**       **Appropriation.** Appropriates \$1,000,000 for fiscal year 2015 for purposes of paying for costs incurred by the Public Employee Insurance Plan (PEIP) in connection with reviewing proposals submitted to PEIP by school districts. Requires a report from the commissioner of management and budget about the ongoing costs incurred by the PEIP in complying with this act and authorizes the commissioner to request additional appropriations if necessary.
- 13**       **Effective date.** Effective July 1, 2014.