

**Representative Jim Bird** proposes the following substitute bill:

**HEALTH INSURANCE FOR SCHOOLS**

2013 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jim Bird**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the duties of local school boards, relating to health insurance, in the State System of Public Education Code.

**Highlighted Provisions:**

This bill:

- defines terms;
- requires local school boards and charter schools to seek competitive bids, from at least three producers or insurance consultants, on the health insurance benefits they offer school district employees beginning in the 2013-14 school year and every five years thereafter; and
- establishes criteria for the competitive bids for health care benefits.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**53A-3-430**, Utah Code Annotated 1953



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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **53A-3-430** is enacted to read:

**53A-3-430. Health care benefits for school district employees -- Competitive bids.**

(1) For purposes of this section:

(a) "Health care benefit":

(i) is as defined in Section 31A-1-301; and

(ii) includes:

(A) dental and vision benefits; and

(B) a plan offered to a local school district under Title 49, Chapter 20, Public

Employees' Benefit and Insurance Program Act.

(b) "Insurance consultant" is as defined in Section 31A-1-301.

(c) "Insurer" includes:

(i) an insurer regulated under Title 31A, Insurance Code;

(ii) a plan offered under Title 49, Chapter 20, Public Employees' Benefit and Insurance

Program Act; and

(iii) a third party administrator as defined in Section 31A-1-301.

(d) "Local school board" includes a charter school governing board.

(e) "Producer" is as defined in 31A-1-301.

(f) "Self-insurance" is as defined in Section 31A-1-301.

(2) (a) A local school board may provide health care benefits to the school district's employees.

(b) A local school board may contract and cooperate with other local school boards to provide health care benefits to the school district's employees.

(3) (a) Except as provided in Subsection (3)(c), a local school board that provides health care benefits to the school district's employees, or a group of local school boards joining together to provide health care benefits to their school districts' employees shall issue a request for proposals and seek competitive bids for the health care benefits offered to employees in the 2013-2014 school year from:

(i) at least three producers, in accordance with Subsection (4); or

(ii) from at least three insurance consultants, if the local school board or group of local

57 school boards joining together provide benefits to their school districts' employees through a  
58 self-insurance plan.

59 (b) A local school board, or a group of local school boards joining together, that  
60 awards a contract for health care benefits for the school district's employees after issuing a  
61 request for proposals under Subsection (3)(a) shall, at least five years thereafter, seek  
62 competitive bids for the contract for health care benefits.

63 (c) If a local school board, or a group of local school boards joining together, issued a  
64 request for proposals for health care benefits for school district employees within the last five  
65 years, the local school board or a group of local school boards joining together, is not required  
66 to issue a request for proposal under Subsection (3)(a) until the 2017-18 school year. The local  
67 school board, or a group of local school boards joining together, may, at its discretion, issue a  
68 request for proposals under Subsection (3)(a) sooner than the 2017-18 school year.

69 (4) A request for proposals under Subsection (3)(a)(i) shall provide that the school  
70 board and school district will not pay fees to the producer unless the school board, or a group  
71 of local school boards joining together, selects the health insurance plan submitted by the  
72 producer.

73 (5) A local school board, or a group of local school boards joining together shall, after  
74 issuing a request for proposals under Subsection (3) make information available to the public  
75 regarding the competitive bids received in response to the request for proposals.