

Representative Jim Bird proposes the following substitute bill:

HEALTH INSURANCE FOR SCHOOLS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jim Bird

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the duties of local school boards 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 on the health insurance benefits it offers school district employees beginning in the 2012-13 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



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

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

28 **53A-3-430. Health care benefits for school district employees -- Competitive bids.**

29 (1) For purposes of this section:

30 (a) "Health care benefit":

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

32 (ii) includes:

33 (A) dental and vision benefits; and

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

35 Employees' Benefit and Insurance Program Act.

36 (b) "Insurer" includes:

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

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

39 Program Act; and

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

41 (c) "Local school board" includes a charter school governing board.

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

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

46 (3) (a) Except as provided in Subsection (3)(c), a local school board that provides
47 health care benefits to the school district's employees, or a group of local school boards joining
48 together to provide health care benefits to their school districts' employees shall, in accordance
49 with Subsection (4), issue a request for proposal and seek competitive bids for the health care
50 benefits offered to employees in the 2012-2013 school year.

51 (b) A local school board, or a group of local school boards joining together, that
52 awards a contract for health care benefits for the school district's employees after issuing a
53 request for proposal under Subsection (3)(a) shall, every five years thereafter, seek competitive
54 bids for the contract for health care benefits in accordance with Subsection (4).

55 (c) If a local school board, or a group of local school boards joining together, issued a
56 request for proposal for health care benefits for school district employees for the 2011-12

57 school year, the local school board or a group of local school boards joining together, is not
58 required to issue a request for proposal under Subsection (3)(a) until the 2016-17 school year.
59 The local school board, or a group of local school boards joining together, may, at its
60 discretion, issue a request for proposal under Subsection (3)(a) sooner than the 2016-17 school
61 year.
62 (4) A request for proposals under Subsection (3) shall provide that the school board
63 and school district will not pay fees to the producer unless the school board, or a group of local
64 school boards joining together, selects the health insurance plan submitted by the producer.