

Legislative Analysis



PUBLIC EMPLOYER HEALTH BENEFIT REPORTING

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House Bill 5671

Sponsor: Rep. Phil Pavlov

Committee: Public Employees Health Care Reform

Complete to 12-14-09

A SUMMARY OF HOUSE BILL 5671 AS INTRODUCED 12-9-09

The bill would create a new act to require public employers to file information on the health benefits it provides to employees with the Department of Management of Budget. This information would include the type of plans offered and the benefits provided under each plan; the total annual premium cost for each plan; the employee share of annual premium cost for each plan; a description of other costs, such as copayments or coinsurance, required of employees; and the number of employees receiving benefits under each plan, including the number receiving individual and family coverage.

The new act would be called the Public Employer Health Benefit Reporting Act. The term "public employer" would refer to the state; a city, village, township, county, or other political subdivision; any intergovernmental, metropolitan, or local department, agency, or authority, or other local political subdivision; a school district, public school academy (charter school), or intermediate school district; and a community college or four-year public institution of higher education. The term "public employee" would include employees, officers, and elected officials, and would include retired employees.

The public employer would be required to report to the DMB no later than 90 days after the effective date of the new act, and would have to post the information on a website accessible to the public. Within 90 days after receiving the reports, the DMB would have to report to the Secretary of the Senate and the Clerk of the House of Representatives. That report would have to include a description of the average benefits provided under the public employer plans and the average total premium and cost-sharing amounts required of public employees. The report would also have to include a projection of the cost to cover all public employees using the average figure determined from the reports.

FISCAL IMPACT:

House Bill 5671 would increase the administrative costs of the Department of Management and Budget by an indeterminate amount. The bill would require the collection of data on the benefits provided by each local unit of government. Moreover, the Department of Management and Budget would have to compile a report on the benefits provided under the public employer plans and provide a projection of the cost to cover all public employees using the average figure determined from the reports.

The bill could also increase administrative costs for public employers by requiring them to report health benefit information to the Department and to make that information publicly accessible online.

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