

MEMORANDUM

TO: Members of the Health & Environment Committee

FROM: Rep. Rhonda Fields & Sen. Betty Boyd

DATE: March, 19 2012

RE: HB 1245, Legislation to Pool Government Resources to Purchase Health Care Insurance

The cost of the average health insurance premiums for both state and local government employees is rising, while the overall cost of health benefits are also rising. This is putting significant pressure on state and local governments during this time of increasing austerity.

To keep costs in check, it is imperative that state and local governments look at ways to partner by leveraging their buying power to reduce costs and enhance health outcomes. HB 12-1245 empowers a 13-member task force to look at innovative ways to pool their resources responsibly in order to contain costs, obtain better quality healthcare insurance, and provide expanded options.

Specifically, the bill does the following:

- Creates a 13-member task force comprised of various stakeholders across the spectrum to look at innovative new strategies to control costs.
- The task force is will report on all matters relating to the group purchase of health care insurance by government employees. This includes examining innovative solutions and strategies for leveraging the purchasing power of state and local governments to expand health care coverage for employees and their families to reduce costs to taxpayers while addressing other impediments.
- The task force will meet in the 2012 interim to study issues involving the pooling of resources among state and local government employees in the state to purchase health care insurance and related products, report its findings and recommendations, and, if appropriate, propose recommendations to the General Assembly.
- The task force is required to submit a written report of its finding and recommendations to the relevant committees of the general assembly by December 15, 2012.
- The task force will solicit and accept reports and public testimony from stakeholders across the state, and may request other sources to provide testimony, written comments, and other relevant data to the task force.
- All appointments to the task force shall be made by June 15, 2012.