



House Bill 1400

State Employee and Retiree Health and Welfare Benefits Program - Employees of Qualifying Organizations

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Appropriations Committee

Date: March 1, 2018

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1400 **WITH AMENDMENTS**. This bill, in relevant part to counties, creates a Task Force to Study Cooperative Purchasing for Health Insurance, which will study models of cooperative purchasing of health insurance and recommend ways to transition county, municipality, and school board employees into the State's health care plan.

MACo supports efforts to evaluate cooperative purchasing models to save taxpayers money while ensuring the greatest value of employee benefits. Under existing law, counties may already opt into the State's health care program, and Caroline County in fact does this now. Other counties pool with each other, their municipalities, and their school boards to provide health insurance benefit options at high value while minimizing and combining administrative costs. MACo is generally supportive of this effort to bring all relevant players to the table to investigate how to pool resources to maximize purchasing power and cost savings, and looks forward to participating on this task force.

As introduced, the bill tasks the new body with evaluating cooperate purchasing models "in order to pool public employee health care purchasing by transitioning counties, municipal corporations, and county boards to the State health plan while maintaining a broad package of benefits and reasonable premiums[.]" However, counties prefer that the task force retain the flexibility to look at cooperative purchasing options more comprehensively, and have enough leeway to recommend any attractive and promising options that may arise.

Bringing local government employees into the State's plan might well prove to be a preferred option. However, it could also prove to be of better value to pool county employees with other county employees, or even all public safety employees with one other, while leaving clerical and administrative workers in another pool. This task force should retain broader authority to make recommendations, so that all parties involved can benefit from a comprehensive evaluation.

For these reasons, MACo urges the Committee to give HB 1400 a report of **FAVORABLE WITH THE REQUESTED AMENDMENTS**.

Amendments:

On page 5, lines 24 – 26, amend as follows:

"In order to pool public employee health care purchasing by ~~transitioning~~ THE STATE, counties, municipal corporations, and county boards to MAXIMIZE VALUE ~~the State health plan~~ while maintaining a broad package of benefits and reasonable premiums, the Task Force shall"

On page 6, lines 11 – 12, amend as follows:

"transition STATE, county, municipal corporation, and county boards to NEW ~~the State~~ PLANS, AS APPLICABLE, without adversely affecting the health benefits of any employee;"