



Senate Bill 1016

State Employee and Retiree Health and Welfare Benefits Program – Expansion of Participating Units

MACo Position: **OPPOSE**

To: Finance Committee

Date: March 15, 2018

From: Barbara Zektick

The Maryland Association of Counties (MACo) **OPPOSES** SB 1016. This bill, in relevant part to counties, requires all counties to participate in the State's health care plan.

MACo supports efforts to enable 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 one another, their municipalities, and their school boards to provide health insurance benefit options at high value while minimizing and combining administrative costs.

However, requiring counties to simply use the State's health care plan removes their ability to procure health care benefits for their unique employee groups at the best value available. Forcing county employees into health care plans originally procured for an entirely different group of personnel would likely raise, rather than lower, costs to counties. It also removes their authority to purchase options according to their needs – including being sensitive to the provider network associated with a certain region.

Bringing local government employees into the State's plan might well prove to be a preferred option in some cases – as is the case for Caroline County. 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. It could prove to be the best value not to pool at all. Counties should retain broad authority to purchase plans that make sense to them, in the appropriate purchasing pools that provide the best value.

For these reasons, MACo urges the Committee to give SB 1016 an **UNFAVORABLE REPORT**.