1	HEALTH INSURANCE FOR SCHOOL DISTRICTS
2	2012 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Jim Bird
5	Senate Sponsor:
6	
7	LONG TITLE
8	Committee Note:
9	The Workforce Services and Community and Economic Development Interim
10	Committee recommended this bill.
11	General Description:
12	This bill amends the duties of local school boards in the State System of Public
13	Education Code.
14	Highlighted Provisions:
15	This bill:
16	defines terms;
17	 requires local school boards to seek competitive bids on the health insurance
18	benefits it offers school district employees beginning in the 2012-13 school year and
19	every three years thereafter; and
20	establishes criteria for the competitive bids for health care benefits.
21	Money Appropriated in this Bill:
22	None
23	Other Special Clauses:
24	None
25	Utah Code Sections Affected:
26	ENACTS:
27	53A-3-430 , Utah Code Annotated 1953



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29	Be it enacted by the Legislature of the state of Utah:
30	Section 1. Section 53A-3-430 is enacted to read:
31	53A-3-430. Health care benefits for school district employees Competitive bids.
32	(1) For purposes of this section:
33	(a) "Health care benefit":
34	(i) is as defined in Section 31A-1-301; and
35	(ii) includes:
36	(A) dental and vision benefits; and
37	(B) a plan offered to a local school district under Title 49, Chapter 20, Public
38	Employees' Benefit and Insurance Program Act.
39	(b) "Insurer" includes:
40	(i) an insurer regulated under Title 31A, Insurance Code;
41	(ii) a plan offered under Title 49, Chapter 20, Public Employees' Benefit and Insurance
42	Program Act; and
43	(iii) a third party administrator as defined in Section 31A-1-301.
44	(2) (a) A local school board may provide health care benefits to its employees.
45	(b) A local school board may contract and cooperate with other local school boards to
46	provide health care benefits to its employees.
47	(3) (a) A local school board that provides health care benefits to its employees, or a
48	group of local school boards joining together to provide health care benefits to its employees,
49	shall, in accordance with Subsection (4), issue a request for proposal and seek competitive bids
50	for the health care benefits offered to employees in the 2012-2013 school year.
51	(b) A local school board that awards a contract for health care benefits for its
52	employees after issuing a request for proposal under Subsection (3)(a), shall every three years
53	thereafter, seek competitive bids for the contract for health care benefits in accordance with
54	Subsection (4).
55	(4) A request for proposals under Subsection (3) shall:
56	(a) solicit bids from at least two different insurers; and
57	(b) retain the services of at least two producers who are:
58	(i) each licensed under Title 31A, Chapter 23a, Insurance Marketing - Licensing

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- 59 Producers, Consultants, and Reinsurance Intermediaries; and
- 60 (ii) not affiliated with the same agency license issued under Title 31A, Chapter 23a,
- 61 <u>Insurance Marketing Licensing Producers, Consultants, and Reinsurance Intermediaries.</u>

Legislative Review Note as of 9-7-11 1:20 PM

Office of Legislative Research and General Counsel