

HEA 1260—OVERVIEW AND UPDATE

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What is the intent?

HEA 1260

- To establish a baseline for schools to compare their employee health insurance expenses.
- To drive as many dollars into student achievement as possible by ensuring health care plans are reasonable and purchased efficiently.
- To make more group purchasing options available to school corporations.



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What is the intent?

- Our goal is NOT to force schools into the state's health care plan.
- Explore your options in purchasing and plan design to where you can realize true savings—benchmark on your own, join a consortium, etc.
- We want a process that is simple and transparent as possible in order for you to meet the desired outcomes.

HEA 1260—WHAT WE KNOW TODAY

- The state will continue to meet with interested parties through July to garner input on how to best define “employer cost of coverage.”
- We do expect that schools will include all fees, commissions, bonuses, etc. paid to brokers/providers into the cost of coverage calculation.
- The law (sec 5.2) does not specify how dependent audits should be conducted—utilize internal or external sources most efficient and cost effective to you.

HEA 1260—TIMELINE & KEY DATES

- By September 30th the State will publish a form for reporting.
- 1st report is due December 31, 2011—we will publish guidelines on which state benchmark to compare your plan to depending on when your benefit plan year ends.
- If school's contribution exceeds State's contribution by 12%, the school has 45 days from the date of the renewal to submit a plan for compliance.

WHERE HAS THE STATE REALIZED SUCCESS?

- The state currently offers three plans—one traditional plan and two consumer-driven health plans (CDHPs).
- 85% of plan participants are currently enrolled in CDHPs.
- While significantly containing our costs, the CDHP participants have developed a strong consumerism mindset on how to best spend their healthcare dollars. This truly has an impact on containing the cost of healthcare.

WHERE CAN YOU FIND MORE INFORMATION ON THE STATE PLANS?

<http://www.in.gov/spd/2589.htm>

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