Health Insurance Transparency Act (HITA)  
2014 Legislature

- No board member of school district or school district employee shall receive any compensation or benefits based on incentives from a group insurance provider.

- Cash refunds from a health plan or wellness plans are exempt which employees and employers mutually agree to. Effective July 1, 2014

- Insurance refunds – School districts must negotiate with the exclusive representative for any refund from a group insurance program. The refunds are done based on the refund amount attributable to the proportionate number of insured lives covered.

- If no agreement is reached within 150 days, the employees who are not covered with a health insurance (all employees) then the return can be spent on premium payments until the amount is deleted.

- Applies to charter schools

- Request for proposals from group health insurance providers must be in writing and at minimum shall include – coverage to provided, criteria for the evaluation of proposals, and aggregate claims data.

- Public notice of the request for proposals must be in the newspaper or trade journal at least 21 days before the final date to submit proposals.

- Selection of a carrier shall make benefit cost comparisons; evaluate the proposals using written criteria.

- School districts may negotiate with group insurance providers on benefits, premiums, and other contract terms.

- Any entity providing current health insurance to a school district must provide aggregate claims records.

- Written rationale is needed for the school board’s decision to enter into a contract with an insurer.

- PEIP must provide claims data within 60 days of the request and other health care plans must respond to the request within 30 days. All group insurers must provide the school district-specific non-identifiable claims records for the most current 24 months.

- Fully insured school districts shall request 3 potential sources of health care coverage. One request must come from PEIP. (Day following enactment)
• All school districts must make requests for proposal at least 150 days prior to expiration of the existing contract but not more than once every 24 months.

• All school districts contracts for group health insurance must not be longer than 2 years unless the exclusive representative of the largest employment group and school district agree to a longer term.

• All school districts initial proposals shall be sealed until they are opened 90 days prior to the renewal date in the presence of up to 3 representative selected by the exclusive representative of the largest group of employees.

• The exclusive representatives must maintain the data as “nonpublic and private”. Union representative are subject to data practices penalties.

• The school district may consult with the same 3 representatives to negotiate with any group insurer to reduce costs or improve service.

• For all schools the final negotiations are due no less than 75 days prior to the plan’s renewal date.

• All schools must open up the final proposals at the same time in the presence of up to three representatives selected by the exclusive representative of the largest group of employees.

• All schools following the opening of the final proposal, all the proposals including the initial proposals and the data submitted in connection with the proposals becomes public data.

• The school district may choose from either the initial or final proposals without further negotiations but not sooner than 15 days after the data becomes public.

• Self-insured school districts on or before the date of enactment that is self-insured with 1,000 or more lives or a school district in which the school board adopted a motion on or before May 14, 2014 to approve a self-insured health care plan to be effective July 1, 2014 must meet these requirements: 1) Request bid for only third-party administration from 3 different sources; 2) No PEIP bid needed; 3) Requests to the provider must be sent no less than 90 days before the expiration of the existing contract; 4)Proposal must be submitted at least 60 day before expiration in the presence of union members.

• School districts will not be considered self-insured solely through participation in a joint powers arrangement (Service Coops re: Sam)

• The group health insurance provider must give notice of any rate or plan design changes at least 90 days before the effective date of the change – Notice to employees must be given.

• Additional school district focus is given “Individual school district members of such a pool shall not be considered to be self-insured.

• Gift Ban applies to school board members (effective July 1, 2014), school superintendent, school principal, or school district officer is covered.

• Money to pay for increased PEIP costs in big mega-spending bill.