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EDITORIAL: Coverage pool

Health benefits represent big slice of school and government costs. The Senate has good reason to revisit proposal to require pooling

Ohio's 612 school districts make schools a prime target in the search for efficiencies and savings during budget crises. Few aspects of school budgets generate as much concern as the rapid growth in health-care costs. Not surprisingly, health-care benefits for school employees once again are a key part of negotiations on a new two-year budget.

Five years ago, state lawmakers took steps to exert some control to reduce district health-care costs. It created the School Employees Health Care Board with the task to identify and share best practices in managing costs and to develop a plan for pooled purchasing of health insurance. A study of changes implemented since then indicates the effort is yielding results, districts spending about \$154 million less in 2010 than they would have spent. The study also projected that savings in the range of \$292 million to \$318 million can be generated under various scenarios if implemented over the next two years.

Gov. John Kasich included in his budget a proposal to authorize the Department of Administrative Services within a year to study a statewide health-care pooling plan for school districts and local governments. Among the scenarios, the study would consider whether to make health-care pooling voluntary or mandatory for districts and local governments, and whether to set up regional pools, about five of them, or a single statewide pool. On the basis of the findings, the Kasich proposal also would authorize the department to begin implementation of the program.

The concept of pooling is not radical by any stretch of the imagination. Pools larger than a single or a handful of districts offer better leverage to negotiate favorable premium and benefits packages. They spread the cost across a broader, mixed population, enabling the healthiest as well as the very sick access to coverage at a reasonable cost. The advantages include a reduction in administrative costs.

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