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BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

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To: Quality Education Interim Committee
From: David Ewer, Budget Director
Re: K-12 Health CARE Package

In response to your request at the July meeting, the Governor's Office took the lead in researching health benefit options that contribute to a quality education. This proposal offers school districts a voluntary health care package that results in direct benefits to teachers, supports kids in our K-12 education system and taxpayers.

Who is eligible?

Voluntary for all school districts

What are the benefits?

- Provides health benefits to teachers
- Frees up money for kids in the classroom
- Market competition stabilizes school districts health care costs, regardless of district's size
- Allows local control of affordable and accessible health plan options
- Assists with teacher recruitment and retention
- Uses tax dollars efficiently.

What are the features?

K-12 Health Care Package

Features	Cost to School District	Savings to School District	Benefits
Stop-Loss Coverage (\$150,000) a.k.a. re-insurance	Free	Estimated savings to local school districts \$18-20 Million	Stabilizes school districts health care costs and results in a direct savings to Montana's K-12 classrooms
Confidential Case Management	Free		Manages high cost claims to provide best care for patient and control costs to school district
Wellness Program	Free		Free early and easy health assessment to employee
Pharmacy	Free		Access to volume purchasing pool for drug discount
Technical Insurance Assistance for School Districts	Free		Provides school districts access to Insurance expertise

Cost to the State of Montana	
Claims Cost	\$12.70 Million
Wellness	.25
Administration	<u>.50</u>
Total:	\$13.45 Million