

## K-12 PROJECT SCOPE

- A. Present a plan for consolidated purchasing of a state-sponsored public school employee health benefits program that provides:
- (Basic)
- a. Equitable access to quality and affordable health services for all employees and their dependents who meet established eligibility requirements,
  - b. Cost-effective program management and operation utilizing administrative simplification and volume purchasing,
  - c. Fiscal transparency for the program funding and expenditures,
  - d. Program administration fiscal and operational performance transparency,
  - e. Stability in the program risk pool,
  - f. Local school district and employee participation in program governance (with recommendations for the board structure),
  - g. Effective use of existing and developing HCA human resources and business systems, that also reflect the unique systems and timelines of school districts.
- (Enhanced)
- h. Value based benefit designs consistent with emerging State health care purchasing policy,
  - i. Minimal unnecessary disruption to existing member relationships with primary care providers, specialists and facilities that is essential to continuity of care.
- B. The purchasing plan will report at an aggregate program level projected pros and cons for employees, school districts, and the state resulting from the transition from the current system to the proposed consolidated state-sponsored program, to include impacts to employee and dependent access to health benefits, total program cost, equity of benefits, and administrative simplification. When important to meaningfully inform the comparison between the existing system and the proposed consolidated program, projected impacts will also be reported at the major program component level (e.g. eligibility threshold, portfolio relative values, funding pool, risk pool, governance structure, business systems, etc.).
- C. The purchasing plan will report at an aggregate program level and major program component level the pros and cons of integration with the Public Employees Benefits program (PEB) such as potential use of the PEB portfolio, PEB eligibility criteria, PEB risk pool, etc. The plan will also report on the potential impacts of transitioning existing PEB K-12 covered lives (employees and retirees) to a separate K12 program. Determining factors will be delineated for program features that are designed to be stand alone rather than integrated with the PEB program.
- D. The purchasing plan will include an implementation strategy in sufficient detail to identify the process, timeline, and budget HCA will need to undertake start-up activities to successfully implement necessary management, operations, information systems, etc. for program start-up as early as the 2013-14 school year.
- E. The purchasing plan will enable local school districts to retain health benefits management and operations activities that are appropriately the responsibility of the local employing agency (e.g. eligibility determination, labor relations, local levies to increase available funding, etc.) similar to the model used for higher education institutions participating in PEB. The plan will identify specific aspects of employing agency activities that could contribute to the consolidated program improvements in areas listed in item A above (e.g. minimum premium contribution by employee to instill accountability) if the Legislature chose to impose parameters that limited local flexibility.
- F. The purchasing plan will include design component options in response to specified features outlined in the budget proviso, including options for voluntary vs. mandatory participation, a transition period for full (mandatory) participation, incentives for participation under a voluntary participation arrangement, etc., and other features determined feasible during the design process.