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Legislators ponder insurance pools for schools

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Requiring districts to collaborate on worker health coverage gets new look as way to save

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BY **JIM SIEGEL**

THE COLUMBUS DISPATCH

State leaders who are scouring the budget for cost savings soon might have a new message for school employees: Everybody into the pool.

Mandatory health-insurance pooling for schools, a concept that last saw heavy Statehouse debate in 2005, could be poised for a comeback. A state board is preparing an updated cost-savings analysis, and some key legislative leaders say that with the state facing an estimated \$8 billion shortfall, the idea's time has come.

"The situation brings us to another look at it," said Sen. Chris Widener, R-Springfield. The chairman of the Senate Finance Committee led the push for health-insurance pooling six years ago.

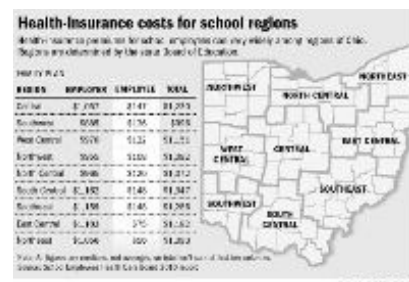
Rep. John Carey Jr., R-Wellston, vice chairman of the House Finance Committee, said he has talked to school-district superintendents. "There is a lot of interest in health-care pooling and eliminating some of the obstacles to that. With the budget cuts that are upcoming, you are going to see more tools for school districts to manage their dollars more effectively."

House Republicans pushed for mandatory health-insurance pooling in 2005, but the Senate rejected it after questioning the savings, which were projected at \$656 million over four years.

School groups opposed it, and "there was extreme push-back by the insurance companies and their lobbyists," Widener said.

A year later, consulting firm Mercer LLC completed an analysis for the School Employees Health Care Board, estimating savings at \$30 million to \$100 million a year, depending on the level of local control

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million to \$150 million a year, depending on the level of local control and plan choices.

More than half of Ohio school districts are part of some type of local health-insurance pool, and the School Employees Health Care Board's 2010 insurance-cost report suggests some savings: insurance premiums averaged \$142 a month less in districts in a pool.

Last week, the health-care board voted to work with Mercer to update the 2006 pooling report.

"In the last two or three months, there has been increased interest in the pooling concept," said board Chairman Stephen Loeb. "As a result, our board has moved as quickly as we can."

He hopes to have new numbers ready by late February, in time for the governor's budget rollout in mid-March. But he warns that cost savings would not occur right away.

Widener hopes the new numbers "bring us to the point where people may feel more comfortable with it and acknowledge the savings."

Darold Johnson of the Ohio Federation of Teachers said his group has not taken a position on pooling, but he questioned how much more savings exist. New "best practices" developed by the health-care board, he said, have been effective at pushing districts to save money.

"I also don't see how you abrogate all the existing contracts and move to regional pools," Johnson said.

Carey said there is talk of taking health insurance out of collective bargaining, or capping a district's share of insurance premiums at 80percent.

David Varda, executive director of the Ohio Association of School Business Officials, said his members are growing more comfortable with the idea of pooling. "I think the pressure is on to save money, and that is certainly a major expenditure that has to be discussed."

He added: "If your goal is to maximize the savings and have mandatory regional pooling, removing it as a mandatory subject of bargaining may be necessary."

Widener, however, said his original intent was to not affect collective bargaining.

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