



NEW YORK STATE SENATOR

Joseph A. Griffo

## Griffo, Steck introduce the Municipal Health Insurance Savings Act

JOSEPH A. GRIFFO March 20, 2014

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ALBANY - Local governments have been dealing with skyrocketing health insurance costs for years. Sen. Joseph A. Griffo, R-Rome has introduced a bill (S6633) to allow municipalities such as towns, villages, and school districts to join county self-insured health plans as a way to drive down costs. This legislation would bring more members into a county's self-insured plan and will spread the risk across a wider number of employees, reducing costs accordingly. The Assembly sponsor is Assemblyman Phil Steck, D-Colonie.

"Our governor has spoken forcefully of the need to share services or consolidate local units of government," said Assemblymember Steck. "This bill does exactly that by enabling local governments of all types and sizes to join county self-insured health plans. Self-insured plans have a history of costing less and saving taxpayers money."

"I talk often about removing obstacles to growth. This regulation stands in the way of a common-sense idea - taking advantage of economies of scale by allowing local governments

to join county self-insured health plans,” said Senator Griffo. “We’re putting caps on taxes and asking localities to take less from their people. Well, here’s a way they can save money and provide a plan that costs less to the beneficiary and is sometimes more robust. I’m pleased to carry this bill and I will work with my colleagues to make the case that reducing these regulatory barriers is exactly what we should be doing.”

“This bill enables smaller governments and school districts to join a county’s self-insured plan. It is just one way to increase efficiencies and produce savings, for local governments and the counties,” said Albany County Executive Daniel P. McCoy. “This is important because in a time of tax cap budgeting and the drive for consolidation as Governor Cuomo has talked about, we need to think outside the box and work to cut costs and save taxpayer dollars.”

“Dutchess County needs the flexibility to continue to work with other local governments within the county to reduce costs and operate more efficiently,” said Dutchess County Executive Marcus J. Molinaro, who has instituted multiple shared service opportunities within the county, including an unprecedented \$1 million grant program to incentive municipal consolidation and shared services. “Working together with our local municipalities, we have already delivered tremendous savings to local taxpayers through the expansion of our Worker Compensation pool. This new proposal from NYSAC will remove a barrier to local government cooperation on health insurance – one of the fastest growing costs facing local governments across the state.”

“The state has challenged local governments to do more shared services. We are challenging the state to reform the archaic and unnecessary barriers that have prevented us from working together on behalf of our taxpayers,” said Stephen J. Acquario, Executive Director, New York State Association of Counties. “The present insurance law (article 47) has been on the books now for 20 years. It needs to be repealed because it has not served its purpose and has done nothing to help reduce the costs at the local level.”

Allowing municipalities to join self-insured plans would be a great benefit, Steck and Griffo noted, as some municipalities are too small to self-insure, and these plans are significantly less expensive than community rated plans. Others who have already self-insured can realize greater efficiencies by joining with the county plan, since spreading the risk among more employees lowers health insurance costs. Some who are large enough to self-insure can avoid the initial costs of doing so by joining existing county self-insured plans.

“There are currently some regulatory barriers to accomplishing this very desirable result in the best interest of taxpayers,” said Steck. “This bill eliminates those regulatory barriers. Also, it should be pointed out that our local health plans will still play a role in the process, as they are hired by self-insurers to administer claims, which of course they do more effectively than County government.”