

SENATE BILL NO. 66

INTRODUCED BY BENEDICT

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT STATE AND LOCAL GOVERNMENT AGENCIES MAY COOPERATIVELY PURCHASE BENEFIT SERVICES AND INSURANCE PRODUCTS TO PROVIDE EMPLOYEE GROUP BENEFITS; SPECIFYING PROCEDURES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Cooperative purchasing of employee benefit services and insurance products -- procedures.** (1) To provide employee group benefits, an agency, as defined in 2-18-601, may participate with other agencies, nonprofit organizations, or business entities and in voluntary disability insurance purchasing pools provided for under 33-22-1815 if the agency determines that cooperative purchasing is in the agency's best interest.

(2) Cooperative purchases under this section may be conducted according to purchasing procedures developed by the participating parties if, for contracts valued at \$20,000 a year or more, purchasing procedures, at a minimum, include:

- (a) public notice in three major Montana newspapers of requirements for submitting bids or offers;
- and
- (b) consideration of all submitted bids or offers.

**NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 2, chapter 18, part 7, and the provisions of Title 2, chapter 18, part 7, apply to [section 1].

**NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0066, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill clarifying that state and local government agencies may cooperatively purchase benefit services and insurance products to provide employee group benefits.

ASSUMPTIONS:

1. This bill will allow the Department of Administration to seek other medical insurance plans that meet the state's criteria, which may offer lower rates for their participants. It is assumed that the self-insurance pool would continue to operate, thus offering state employees an annual choice of benefits and rates.

FISCAL IMPACT:

If a new medical insurance plan were offered with attractive rates, and if a significant number of employees switched to the new plan, a reduction in employer insurance contributions could result. The timing and the amount of the reduction would be impossible to estimate with any accuracy. The state contribution for health insurance is projected to be \$31.7 million in fiscal year 1998.

Dave Lewis 1-9-97  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

Steve Benedict 1/10/97  
STEVE BENEDICT, PRIMARY SPONSOR      DATE

Fiscal Note for SB0066, as introduced

SB66

APPROVED BY COM ON  
LOCAL GOVERNMENT

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23 (3) FOR PURPOSES OF THIS SECTION, "EMPLOYEE" ALSO MEANS A SCHOOLTEACHER.

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