



EXHIBIT 5  
DATE 2-16-05  
HB 619

February 16, 2005

MONTANA SCHOOL SERVICES FOUNDATION

Chairman Becker and members of the House Human Services Committee,

For the record, my name is Bob Robinson, Chief Executive Officer of the Montana School Services Foundation. Montana School Services Foundation is the administering agency for the Montana Unified School Trust.

Montana School Services Foundation and its sponsors strongly support HB 619.

HB 619 is really a consumer protection bill. The new provisions of the bill will enable many public school districts, currently insured as members of industry associations, to obtain their own premium, loss and experience data in order to evaluate whether or not their current premium is reasonable in relation to their medical expenses and plan benefits.

Current section 33-19-308 requires insurers to provide premium and loss information to covered entities when requested. A school district, insured as a member of an association, is not afforded the same opportunity to examine and manage its own insurance plans and costs. Association members are only able to obtain aggregate information for the entire group.

Health benefit costs are a significant portion of an entity's operating expenses; often accounting for ten to twenty percent of the personal services budget. The inability to analyze and manage that portion of the budget, because of the current law restrictions, places those businesses and districts in a disadvantageous situation.

The inability to access experience data effectively places a huge obstacle before the employer group when it attempts to obtain quotes from other insurance providers. Prospective insurers need the group loss/experience data to provide a responsible quote to the employer. Without access to experience data, prospective insurers will often refuse to quote or will provide an unnecessarily conservative quote to protect itself from the unknown.

HB 619 will enable school districts, currently insured through an association, to shop the market and find the best plan and price for its employees.

We suggest the committee make the bill effective immediately upon passage and signing. Public school districts are now in the process of negotiating their salary and benefit contracts and will soon be finalizing district budgets for the 2005-06 school term. An immediate effective date will enable school districts, that desire, to take advantage of this opportunity now.

SPONSORED BY MEA - MFT MTSBA SAM

P.O. Box 4579

406.457.4400 Helena, Montana 59604-4579 www.ms-sf.org