

SCOPE STATEMENT

K-12 Education: Reviewing Issues Related to the Cost of the Health Care Benefits Provided By School Districts

Employee insurance costs—primarily health insurance—have grown substantially over the last several years, from just more than \$195 million for the 2003-04 school year, to almost \$250 million for the 2007-08 school year. Overall, employee insurance costs represent nearly 5% of school districts' total reported expenditures for 2007-08.

Because health insurance costs represent such a large and growing cost for school districts, members of the 2010 Commission recently have expressed an interest in finding out whether there are ways districts could better control these costs. This school district performance audit would answer the following question:

- 1. Could school districts obtain costs savings by reducing health insurance costs?** To answer this question, we would survey school districts to obtain information on the health insurance plans they offer, including the benefits offered under the plans, the total cost of premiums for the plan, and the level of participation by employees. We would analyze the data on the districts' plans to identify districts that appear to be paying more than others with similar plans, and follow up with those districts to look for ways to reduce those costs. Finally, we would interview staff from the Kansas Health Policy Authority to find out the advantages and disadvantages of having all districts join the State health plan, look at any estimates they have of what it might cost the State, and estimate how much it might save school districts. We would conduct additional testwork as needed.

Estimated Resources: 2 staff (10-12 weeks)