



NEW YORK STATE SENATOR

Daniel G. Stec

Senate OKs health insurance legislation important to small schools

DANIEL G. STEC May 4, 2021

| ISSUE: **HEALTH INSURANCE, SCHOOLS**

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Legislation to help small school districts avoid increases in their health insurance costs was approved today by the State Senate. Senator Dan Stec, a cosponsor of the legislation (S5581), said it would allow school districts with between 51 and 100 employees to remain in their health care consortium.

"Without this legislation, small school districts and their taxpayers could be subject to much higher health insurance costs," said Stec. "This measure addresses a technical issue that has been in play since 2015, when the Affordable Care Act was enacted. The Legislature and governor have approved the more affordable option for districts, but there was always a sunset provision. This time we want to make the change permanent and eliminate the needless uncertainty."

Stec said that the federal Affordable Care Act (ACA) impacted which employers could purchase experience rated health insurance coverage for their employees. Under the ACA, an employer falling below 100 employees could no longer participate in an experienced rated health insurance plan and instead would have to purchase through the more expensive community rated market.

Since 2015, the State Legislature has adopted a series of extenders allowing school districts to remain in their consortium or trust, but each time with a sunset provision. The current extender would expire in December 2022.

In support of the legislation, the Council of School Superintendents wrote: "Because community rated plans are substantially more expensive and school employers can negotiate better rates in the experienced rated plans since school employees tend to be healthy, if these small employers are forced into community rated plans, the costs will be significant. For some districts, absorbing the resulting cost increases would require either a double-digit increase in property taxes or other budget actions of corresponding magnitude."

The New York State School Boards Association, Washington-Saratoga-Warren-Hamilton-Essex (WSWHE), New York State United Teachers also support the legislation.

A companion bill is sponsored by Assemblywoman Carrie Woerner.

RELATED LEGISLATION

2021-S5581

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate

- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate

- ◦ Passed Assembly
 - Passed Senate

- Delivered to Governor

- Signed By Governor

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Extends the effectiveness of provisions of law relating to catastrophic or reinsurance coverage issued to certain small groups

March 11, 2021

Signed by Governor

Sponsored by [Neil D. Breslin](#)

Do you support this bill?