

In the Arena
By Tom Conroy
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In the past couple of months, the House of Representatives has been very active at the committee level, and it has been interesting to learn first hand how bills get prioritized and make their way through the somewhat complicated legislative process. Folks who want to understand better how good ideas really become law - and understand how the state is trying to help towns like Lincoln, Sudbury, and Wayland address their most challenging budget problem - might find the story behind one top priority bill intriguing.

Since March, legislative committees have been holding hearings on the over 4,000 bills that were filed in January. Some of the bills are refiles: they were introduced in previous years, had hearings already, and might have gone through a number of revisions. One such bill - which seeks to save towns like Lincoln, Sudbury, and Wayland money by allowing town employees to enroll in the lower-cost state health benefit plan run by the Group Insurance Commission (GIC) - was approved by the House last week.

The idea behind the GIC bill, as it is called, involves the use of economies of scale and has been around for several years. Small towns cannot negotiate health care benefit plans with large insurance companies with as much leverage as the state can. Town employee health care costs paid by Sudbury and Wayland, for example, have been rising over 10% each year for the past several years. The state, meanwhile, has been able to negotiate more modest increases, such as 5% in 2006. The situation, boiled down, is quite simple: the more employees in the health benefit plan, the more the entity paying for the plan (town or state) can demand in terms of lower premiums and better coverage from the health insurers, such as Aetna, Blue Cross, Tufts, Harvard Pilgrim, Cigna, or UnitedHealth Care.

There are 351 towns and municipalities in the state, each with tens or hundreds of employees that could be added to the state pool, while maintaining high quality health care benefits. If all the employees were to be pooled together, the GIC would have wonderful leverage with the health insurance companies and be able to reduce - on a comparative basis - the seemingly inevitable increases in health care costs that plague town budgets. Savings for towns such as Sudbury could amount to several hundred thousands dollars a year, allowing for a shift in spending to pay for better schools, better roads, and a cleaner environment.

During 2006, the GIC bill was championed by Rep. Rachel Kaprielian (D-Watertown), a 12 year House veteran who is quite sympathetic to the budget challenges that cities and towns face. After the bill went through the hearing process, she brought together key stakeholders: town officials, town employees, unions, the GIC, insurance executives and others in a collaborative effort. Over the course of several months, with back and forth negotiations, Representative Kaprielian and others crafted a compromise bill,

which provided towns with the option of making the shift, rather than mandating it. That bill was reintroduced in January 2007, and soon over 100 representatives co-sponsored it, including myself.

In February 2007, Governor Deval Patrick included the GIC bill in his Municipal Partnership Act package of initiatives, which was both homage to a campaign commitment and a sensible amalgam of good ideas that would help towns and cities alleviate their budget woes. Given the fact that over 100 legislators and the Governor were supportive of the bill, the Public Service Committee, of which I am a member, held hearings on the bill in early April, ahead of many other bills that were put under the committee's purview. The first person to testify at the hearing was the Governor himself, who eloquently and logically made the case for supporting the legislation.

During late April and May, while the House and Senate leadership focused on the budget for fiscal year 2008, which starts July 1, 2007, ideas to alter the GIC bill were discussed in hallways, during impromptu meetings, among members of the Public Service committee, and during meetings with the House and Senate leadership. Some discussions centered on weakening the bill. Other discussions, of which I was a part, probed for a change to the bill that would have strengthened a town's ability to make the shift to the GIC, and lowered the probability that any one group could block such as shift. Meanwhile, the Governor continued to advocate around the state for his Municipal Partnership Act and the GIC bill.

Last week, the Public Service Committee reported the GIC bill out of committee favorably, without significant changes. Prior to the bill coming to the floor of the House of Representatives, it was clear that no amendment to the bill would win a majority of votes. The bill was approved by the House almost unanimously. It is expected that it will pass the Senate very soon. The Governor most certainly will sign it into law shortly thereafter.

The story of the GIC bill is one of a good idea, collaboration, and good government. Both the legislature and the Governor recognized the worthiness of the initiative, and have helped make the GIC bill a priority. When the bill becomes law, it will give towns and cities the option to save money by joining hands with the state and the GIC. Those who contemplate blocking the shift from the towns to the GIC should think very carefully before acting. Townspeople who are frustrated by rising property taxes should not let this opportunity get stalled, and should encourage all town employees to work collaboratively with town officials to make the shift and save the town money. For Sudbury and Wayland, hundreds of thousands of property tax dollars are at stake each year.

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