

Hands Off Our Health Care Coalition

Working to STOP the Statewide Health Care Plan Mandated for Education Employees

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Coalition Questions No-Bid Contract Given to Consultant

(Dec. 21, 2005) – A broad-based coalition opposing a mandatory statewide health care plan for education employees is questioning the award of a no-bid contract to a consultant. The appointment was made contrary to the law established by House Bill 66, which stipulated how the plan will be designed.

On Aug. 29, the Ohio Office of Budget and Management Controlling Board approved a \$500,000 contract with Watson Wyatt to assist the School Employees Health Care Board in designing the mandated school employee health care plan. HB 66 granted sole authority to the board to select a consultant. However, the board has not yet been appointed, even though HB 66 required Gov. Bob Taft, House Speaker Jon Husted and Senate President Bill Harris to have appointed it by Nov. 13.

“It looks like they’ve already stepped outside the requirements of state law set by House Bill 66,” said OFT President Tom Mooney. “This consultant was selected without competitive bidding, even though no one has yet been appointed to the board, which is required to hire the consultant. It’s not clear under what authority this consultant was hired.”

The un-bid contract with Watson Wyatt reinforces concerns that the new health care plan will create a \$2 billion-plus slush fund to foster favoritism in Ohio’s notorious pay-to-play political climate.

Watson Wyatt will consult on the design of the mandatory health care plan for Ohio school employees planned for 2006. The Hands Off Our Health Care Coalition opposes the plan for several reasons. Legislators conducted no feasibility study or research to determine whether it would benefit school districts, education employees or taxpayers before deciding to move forward with the plan, contrary to recommendations from the Governor’s Blue Ribbon Task Force on School Funding. This board will determine levels of coverage, select insurance carriers and providers, and decide how much employees will pay for coverage, but has no representatives elected by stakeholders, unlike state pension boards.

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“There is enormous potential for pay-to-play abuses with this fund because health insurance contracts will be awarded by the politically appointed health care board without stakeholder representation,” said Mark Hatch, director of public policy and public affairs for the Ohio Association of Public School Employees, a coalition member organization.

Once the statewide health care plan is designed, the legislature will vote to launch it and make it mandatory, eliminating local control and negotiations on health care for teachers and other school employees. All school employees will be forced to enroll when their current collective bargaining contracts expire. The board will decide whether to include faculty and staff at state colleges and universities. The mandatory plan is likely to cost more and provide fewer benefits than are typically achieved through collective bargaining, resulting in a pay cut for school employees.

Through the www.HandsOffOurHealthCare.org website, opponents of the mandatory plan have already written 5,348 letters to legislators urging them to vote “no” when the final vote to implement the plan is called.

Members of the Hands Off Our Health Care Coalition include the Ohio Federation of Teachers, the Ohio Association of Public School Employees, AFSCME Ohio Council 8, Service Employees International Union District 1199, the Columbus Education Association, and the Akron Education Association.

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