

public employees for their health costs, under the self-funded plan. The system has been very carefully written, undoubtedly there are improvements. I have a few sets of amendments, because of the operative date in particular. Senator Beutler has pointed out that we could probably improve the definition of an independent actuary. We'll do that on Select File. I would move for the adoption of the committee amendments, and be happy to answer any questions the body may have.

SPEAKER BAACK: Senator Kristensen.

SENATOR KRISTENSEN: Thank you, Mr. Speaker and members. For those of you whose underlying question is, what in the world is 167 about, and when I go to explain this to my constituents what am I going to tell them? Here's about a four minute history and explanation that I think you might be able to go back to them with. It's something Senator Landis has started with the formalities of how the amendments work. But let me tell you how we start. In May of 1980, there was a ruling by the Department of Insurance, Fillmore School Board, the Geneva Education Association, the Fairbury Education Association had a dispute over insurance coverages for their school. They went before the director of insurance, and they said this section of law...there is one that allows political subdivisions to make plans for employees. In other words, part of the benefits, instead of getting your regular pay check, is you're going to get some benefits, in this case health insurance benefits. And the typical health insurance plan is that the teachers do not, in this case, pay any money out of their own pockets. In other words, every dollar of coverage is supplied by the insurance plan and through their employment, so they don't have to pay any money out for a deductible. That's called first dollar coverage. The employee pays no deductible, the employee pays no part of that. Now, the increased cost of getting this good coverage, and this is good coverage, first dollar coverage is excellent coverage. But the cost of getting that continues to rise and skyrocket and go higher. And so to keep those benefits the same, using the same amount of tax dollars, because obviously...because the health insurance premiums go up, the schools couldn't always automatically raise taxes, they had to somehow live within their means. And here's what Fillmore did, Fillmore School District took the first \$3,500 of health care costs, and they took that out of their own General Funds, or out of a fund they had set up. That is a deductible. They paid those amounts out of their own. The rest of it, the rest of the