

Montana's Story

The story of Montana's school healthcare transformation is one of shifting from a state of crisis to a position of collective power. By moving beyond local competition and historical regional divides, school districts across the state successfully advocated for a self-funded model that stabilized costs and prioritized the well-being of educators.

In 2011, Brad Moore, Superintendent of Schools for Lewistown, Montana faced a financial nightmare that would become the catalyst for change. His district in eastern Montana, then part of the Montana Unified School Trust (MUST), was hit with a staggering 72% insurance premium increase in a single year. It was the second-highest spike in the state, far exceeding the already painful average of 35%.

For decades, MUST had been a successful pillar for schools, but the landscape was shifting. Competition and the complexities of the Affordable Care Act (ACA) began to erode its membership. As larger districts opted for individual self-insurance, the Trust's pool began to shrink, leaving behind a "difficult to insure" population. For small districts with as few as 15 employees, other options were virtually non-existent.

Recognizing that the status quo was unsustainable, education leaders shifted their focus toward a statewide solution. In 2023, a coalition of education groups in Montana helped draft HB 332, a bill designed to create a unified statewide health insurance trust. The stakes were high. To unlock \$40 million in state seed funding, the coalition had to meet two rigorous parameters; first, to secure commitments from at least 150 school districts and second, to include a minimum of 12,000 employees across those districts.

This was no small feat; at its peak, the previous trust had only managed 10,000 employees. To bridge the gap, a coalition of education groups emerged to find a common path forward. The success of the new trust relied on a strategy of interlocal cooperation. By gathering data from diverse schools and offering a streamlined selection of four distinct plans, the organizers managed to bridge the historical divide between "East vs. West" and "Big vs. Small."



Montana teachers, school business officials, district leaders and school board members meet to discuss how to improve the MUST.

The results of this coalition-building were transformative: 7 out of 8 of the state's largest districts joined the trust. A total of 180 districts opted in, bringing in over 16,000 employees—well over the 12,000 required. This massive pool provided the bargaining power needed to negotiate more competitive rates with hospitals and clinics, while effectively buffering against the risk of high-cost claims.

In the first year of the new arrangement, many districts saw a decrease in their healthcare quotes. For Lewistown School District, the lower rates directly translated into better compensation for the people who make the schools run with teachers receiving a 6.8% pay increase and support staff receiving a 10% pay increase. By taking control of their healthcare destiny, Montana's school district saw some much needed relief in already strained budgets and were able to invest that savings into their most valuable assets: their people and students.



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