1998 Session

Budget Bill - HB29 (Introduced)

Central Appropriations

Item 535 (Not set out)

	First Year - FY1997	Second Year - FY1998
Personnel Management Services (70400)	**$60,250,135**	**$62,992,905**
Medical/Hospitalization Benefits - Local (70407)	$59,696,943	$59,696,943
Other Services (70499)	$553,192	$3,295,962
Fund Sources:		
General	$553,192	$3,295,962
Enterprise	$59,696,943	$59,696,943

Authority: § 2.1-20.1, Code of Virginia.

A. The amounts for Medical/Hospitalization Benefits - State are from all funds appropriated to state agencies for this purpose. It is an internal service fund for appropriation purposes in Central Appropriations. Revenues will be paid from state agencies to the Department of Personnel and Training. The estimated cost is $481,528,970 the first year and $539,312,447 the second year.

B. The amounts for Medical/Hospitalization Benefits - Local include estimated revenues received from localities for the local option program.

C. The Department of Planning and Budget shall effect such transfers from this appropriation to the Department of Personnel and Training as are required for the payment of medical/hospitalization benefits.

D.1. In the event that the total of all eligible claims exceeds the balance in the employee medical reimbursement acount, there is hereby appropriated a sum sufficient from the general fund of the state treasury to enable the payment of such eligible claims.

2. The term "employee medical reimbursement acount" means the account administered by the Department of Personnel and Training pursuant to § 125 of the Internal Revenue Code in connection with the health insurance program for state employees (§ 2.1-20.1 of the Code of Virginia).

E.1. The end of the plan year for the state health insurance program shall be extended from December 31, 1997 to June 30, 1998.

2. Effective May 1, 1997, the Department of Personnel and Training shall institute a surcharge on the employer share of premiums paid for health benefits coverage provided under the Commonwealth's non-Medicare, self-insured health benefits plans. Such surcharge shall be a) calculated as a constant percentage increase on the total premium, as in existence on January 1, 1997, for each type of coverage provided to active employees; b) added to the employer share of such premium; and c) structured so as to generate an amount estimated at $27,254,815 from all employers and fund sources by June 30, 1998.

3. No surcharge shall be added to the premium paid by active employees or retirees enrolled in the affected non-Medicare, self-insured health benefits plans.

4. a) Included in the appropriation for this item is $553,192 the first year and $3,295,962 the second year to pay the cost of the surcharge provided for in paragraph E.2., of this item, on behalf of general fund employees (i) of agencies with authorized employment levels, as set out in this act, of fifty FTE or fewer, and (ii) of Educational and General programs of the institutions of higher education.

b) Such agency general fund balances, which are not otherwise obligated by this act, for the years ended June 30, 1996, and June 30, 1997, as may be required are hereby reappropriated to state agencies and institutions for the purposes of paragraph E.2. of this item.

c) Such nongeneral fund revenues and balances as may be required to pay the cost of the surcharge provided for in paragraph E.2., of this item, are hereby appropriated.

5. A joint subcommittee composed of the members of the Compensation and Retirement Subcommittee of the House Appropriations Committee and the Compensation and General Government Subcommittee of the Senate Finance Committee, and such other members as the chairmen may appoint, is hereby established to study the long-term funding needs of the Commonwealth's non-Medicare, self-insured health benefits plans. This joint subcommittee shall report its findings and recommendations to the Chairmen of the House Appropriations Committee and the Senate Finance Committee in time for consideration at the 1998 Session of the General Assembly.