
VIRGINIA STATE BUDGET

2004 Session

Budget Bill - HB29 (Chapter 943)

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Central Appropriations

Item 504 (Not set out)	First Year - FY2003	Second Year - FY2004
Personnel Management Services (70400)	\$42,581,699	\$56,074,151
Workforce Transition Assistance (70413)	\$1,000,000	\$0
Other Services (70499)	\$41,581,699	\$56,074,151
Fund Sources:		
General	\$42,581,699	\$56,074,151

Authority: § [2.2-2818](#), Code of Virginia.

A.1. Out of the amounts for Personnel Management Services, \$41,581,599 the first year and \$56,074,151 the second year shall be transferred to state agencies and institutions of higher education to effect changes in the employer's share of premiums paid for the Commonwealth's health benefit plans.

2. Notwithstanding any contrary provision of law, the health benefit plans for state employees resulting from the additional funding in this Item shall allow for a portion of employee medical premiums to be charged to employees.

B. Except as provided for in paragraph 1 above, agencies supported in whole or in part by nongeneral funds shall pay the proportionate share of the increase in the employer's share of the premiums, subject to the rules and regulations prescribed by the appointing or governing authority. Such nongeneral fund revenues and balances are hereby appropriated for this purpose, subject to the provisions of § 4-2.01 b of this act.

C.1. There is hereby established the Commission on Health Benefits Reform. The Commission shall be of four members of the Senate Finance Committee, to be appointed by the Chairman of the Senate Finance Committee; four members of the House Appropriations Committee, to be appointed by the Chairman of the House Appropriations Committee; one member to be appointed by the Chief Justice of the Supreme Court; and four members to be appointed by the Governor, including the Secretary of Administration, the Secretary of Finance and two health benefit experts from large private-sector employers.

2. In carrying out its work, the Commission shall be supported by:

a. A technical advisory committee composed of the chief human resource officers of the University of Virginia; Virginia Polytechnic Institute and State University; Virginia Commonwealth University; George Mason University; the Department of Mental Health, Mental Retardation and Substance Abuse Services; the Department of Corrections; the Department of State Police; the Department of Transportation; and the Department of Taxation; the Director of the Department of Human Resource Management, or his designee; the Director of the Department of Planning and Budget, or his designee; and the staff of the Senate Finance and House Appropriations Committees.

- b. At least one employee advisory committee, the composition of which shall be based on the Commission's assessment of its requirements for advice and assistance.
 - c. Such consultants as may be deemed necessary by the Commission, provided that any cost associated with such services shall be reasonable and incidental to the administration of the state health benefits program.
3. With the assistance of the technical advisory committee, the Commission shall implement a communications program to inform state employees, and provide such employees an opportunity to comment on its work.
4. The health benefits plan recommended by the Commission shall provide for:
- a. A health benefits program to meet state workforce needs;
 - b. Other modern health benefit features, as deemed appropriate for a large, multi-site employer.
5. The Commission shall report its findings and recommendations to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2002.
6. The Director of the Department of Human Resource Management shall report to the Chairmen of the House Appropriations and Senate Finance Committees by October 15, 2003, on the status of the state employee health insurance program. The report shall include but not be limited to the following items:
- a. enrollment statistics and plan demographics, program experience by benefit category, comparison to the plan administrator's book of business averages for the same categories, and the plan's cost drivers covering the most recent five fiscal years;
 - b. the state employee health insurance fund's operating statements on both a cash and accrual basis for the most recent five fiscal years;
 - c. a description of the plan's renewal projections for the upcoming plan year; and
 - d. potential changes to the plan based on renewal projections including plan design changes, projected premiums, and the projected general and nongeneral fund cost increase.
- D.1. Out of the amounts for this program shall be paid those severance benefits guaranteed under the provisions of Title 2.2, Chapter 32, Code of Virginia, the Workforce Transition Act of 1995.
2. Nongeneral funds required to pay severance benefits guaranteed under the provisions of Title 2.2, Chapter 32, Code of Virginia, are hereby appropriated.