2014 Special Session I

Budget Bill - HB5001 (Introduced)

Bill Order » Office of Administration » Item 84

Administration of Health Insurance

Item 84 (Not set out)

	First Year - FY2013	Second Year - FY2014
Personnel Management Services (70400)	**$290,000,000**	**$290,000,000**
Local Health Benefit Services (70407)	$290,000,000	$290,000,000
Fund Sources:		
Enterprise	$290,000,000	$290,000,000

Authority: § 2.2-2818, Code of Virginia.

A. The amounts for Health Benefits Services are from all funds appropriated to state agencies for this purpose. It is an internal service fund for appropriation purposes. Revenues will be paid from state agencies to the Department of Human Resource Management.

B. The amounts for Local Health Benefits Services include estimated revenues received from localities for the local choice health benefits program.

C.1. In the event that the total of all eligible claims exceeds the balance in the state employee medical reimbursement account, 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 account" means the account administered by the Department of Human Resource Management pursuant to § 125 of the Internal Revenue Code in connection with the health insurance program for state employees (§ 2.2-2818, Code of Virginia).

D. Any balances remaining in the reserved component of the Employee Health Insurance Fund shall be considered part of the overall Health Insurance Fund. It is the intent of the General Assembly that future premiums for the state employee health insurance program shall be set in a manner so that the balance in the Health Insurance Fund will be sufficient to meet the estimated Incurred But Not Paid liability for the Fund and maintain a contingency reserve at a level recommended by the Department of Human Resource Management for a self-insured plan subject to the approval of the General Assembly.

E. The Department of Human Resource Management shall implement a Medication Therapy Management pilot program for state employees with certain disease states including Type II diabetes. The department shall continue to consult with all provider stakeholders in order to establish program parameters .

F. Concurrent with the date the Governor introduces the budget bill, the Directors of the Departments of Planning and Budget and Human Resource Management shall provide to the Chairmen of the House Appropriations and Senate Finance Committees a report detailing the assumptions included in the Governor's introduced budget for the state employee health insurance plan. The report shall include the proposed premium schedule that would be effective for the upcoming fiscal year and any proposed changes to the benefit structure.

G. The Department of Human Resource Management, in consultation with all providers of the state employee health insurance program, shall develop a plan to implement a provision for the electronic distribution of the explanation of benefits statements to all employees to the greatest extent allowed under federal law. The Department shall present a recommendation for implementation of this plan, including an analysis of projected cost savings from eliminating paper explanation of benefit statements, to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2013.