

---

# VIRGINIA STATE BUDGET

---

2016 Session

## Budget Bill - SB29 (Introduced)

Bill Order » Office of Administration » Item 82

Administration of Health Insurance

Item 82	First Year - FY2015	Second Year - FY2016
<b>Personnel Management Services (70400)</b>	<b>\$1,573,501,777</b>	<b><del>\$1,619,464,330</del></b> <b>\$1,760,464,330</b>
Health Benefits Services (70406)	\$1,236,466,493	<del>\$1,261,195,823</del> \$1,368,195,823
Local Health Benefit Services (70407)	\$337,035,284	<del>\$358,268,507</del> \$392,268,507
Fund Sources:		
Enterprise	\$337,035,284	<del>\$358,268,507</del> \$392,268,507
Internal Service	\$1,236,466,493	<del>\$1,261,195,823</del> \$1,368,195,823

---

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

A. The appropriation for Health Benefits Services is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid from revenues paid by 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. Of money appropriated for the state employee health insurance fund, \$250,000 the first year and \$500,000 the second year shall be held separate and apart from the fund to pay for any required fees due to the Patient-Centered Outcomes Research Institute.

H.1 The Department of Human Resource Management shall conduct a comprehensive review of the public employee health programs in the Commonwealth. The Department shall provide a report detailing the findings and recommendations to the chairmen of the House Appropriations Committee and Senate Finance Committee by October 31, 2015.

2. As part of the review, the Department shall conduct an actuarial review of the impact on the state, the school boards, and other political subdivisions, from including the employees, and their dependents, of local governments including local school divisions in the state employee health program or in one statewide pooled plan for employees of political subdivisions.

3. Local school boards and localities shall provide information to the Department as requested for the actuarial analysis.

4. The review shall also include an examination of The Local Choice program's policies, including its pooling and rating methodology, to determine whether overall improvements may be made to the program, with a specific goal of trying to increase The Local Choice program's appeal among rural school divisions and local governments. During this effort, the Department shall hold a series of meetings with stakeholders to educate them about The Local Choice program and solicit their feedback.

5. The Director of the Department of Planning and Budget is authorized to transfer up to \$250,000 general fund from program 757 (agency 995, Central Appropriations) from unobligated balances from prior year appropriation to the Department of Human Resource Management as needed to fund the review and outreach efforts.