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SENATE JOINT RESOLUTION NO. 281

Offered January 12, 2005

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Establishing a joint subcommittee to study insurance costs relating to the practice of medicine and the costs of prescription medicines and health insurance premiums. Report.

Patron—Hawkins

Referred to Committee on Rules

WHEREAS, the costs of medical malpractice insurance, particularly insurance coverage for obstetricians/gynecologists, continue to increase at rates that are resulting in a reduction of medical services to citizens of the Commonwealth; and

WHEREAS, the average medical malpractice premium in 2002 for obstetricians/gynecologists in Virginia was \$43,584, and between 2000 and 2002 the average increase in such premiums across the United States was 22 percent; and

WHEREAS, the cost of health insurance under Department of Human Resource Management health insurance plans (COVA Care) for the fiscal year beginning July 1, 2004, is \$4,008 for single person coverage and \$10,836 for family coverage (3 or more family members), and such costs were \$3,504 and \$9,468, respectively, for the fiscal year beginning July 1, 2003; and

WHEREAS, a significant portion of the cost of health insurance is the cost of prescription medicines; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study insurance costs relating to the practice of medicine and the costs of prescription medicines and health insurance premiums. The joint subcommittee shall have a total membership of 14 members that shall consist of eight legislative members, four nonlegislative citizen members, and two ex officio members. Members shall be appointed as follows: three members of the Senate to be appointed by the Senate Committee on Rules; five members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one nonlegislative citizen member who is either a licensed physician in the Commonwealth (including osteopaths) or licensed in the Commonwealth to sell, solicit, or negotiate contracts of health or medical malpractice insurance, to be appointed by the Senate Committee on Rules upon consideration of the recommendation of the Virginia Board of Medicine, if any, for any licensed physician or osteopath appointed; and three nonlegislative citizen members, one of whom is a licensed physician in the Commonwealth (including osteopaths) and two of whom are either licensed physicians (including osteopaths) in the Commonwealth or licensed in the Commonwealth to sell, solicit, or negotiate contracts of health or medical malpractice insurance, to be appointed by the Speaker of the House of Delegates upon consideration of the recommendation of the Virginia Board of Medicine, if any, for any licensed physician or osteopath appointed. The Secretaries of Commerce and Trade and Health and Human Resources or their designees shall serve ex officio with nonvoting privileges. Nonlegislative citizen members of the joint subcommittee shall be citizens of the Commonwealth of Virginia. Unless otherwise approved in writing by the chairman of the joint subcommittee and the respective clerk, nonlegislative citizen members shall only be reimbursed for travel originating and ending within the Commonwealth of Virginia for the purpose of attending meetings. If a companion joint resolution of the other chamber is agreed to, written authorization of both clerks shall be required. The joint subcommittee shall elect a chairman and vice chairman from among its membership, who shall be members of the General Assembly.

In conducting its study, the joint subcommittee shall examine (i) the costs of medical malpractice insurance in the Commonwealth, particularly insurance premiums or rates for obstetricians/gynecologists; (ii) the costs of health insurance and prescription medicines; and (iii) causes for the increase in such insurance and medical costs, including studying whether any person, entity, or business is earning an excessive profit in regard to such insurance and medical costs. The joint subcommittee shall develop recommendations for controlling the costs of medical malpractice insurance, health insurance, and prescription medicines, including recommendations for corrective measures in any case where the joint subcommittee determines that excessive profit is directly related to such costs.

Administrative staff support shall be provided by the Office of the Clerk of the Senate. Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be provided by the Division of Legislative Services. All agencies of the Commonwealth shall provide assistance to the joint subcommittee for this study, upon request.

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59 The joint subcommittee shall be limited to four meetings for the 2005 interim and four meetings for
60 the 2006 interim, and the direct costs of this study shall not exceed \$11,600 for each year without
61 approval as set out in this resolution. Of this amount an estimated \$2,000 is allocated for speakers and
62 materials. Approval for unbudgeted nonmember-related expenses shall require the written authorization
63 of the chairman of the joint subcommittee and the respective Clerk. If a companion joint resolution of
64 the other chamber is agreed to, written authorization of both Clerks shall be required.

65 No recommendation of the joint subcommittee shall be adopted if a majority of the Senate members
66 or a majority of the House members appointed to the joint subcommittee (i) vote against the
67 recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the
68 joint subcommittee.

69 The joint subcommittee shall complete its meetings for the first year by November 30, 2005, and for
70 the second year by November 30, 2006, and the chairman shall submit to the Division of Legislative
71 Automated Systems an executive summary of its findings and recommendations no later than the first
72 day of the next Regular Session of the General Assembly for each year. Each executive summary shall
73 state whether the joint subcommittee intends to submit to the General Assembly and the Governor a
74 report of its findings and recommendations for publication as a House or Senate document. The
75 executive summaries and reports shall be submitted as provided in the procedures of the Division of
76 Legislative Automated Systems for the processing of legislative documents and reports and shall be
77 posted on the General Assembly's website.

78 Implementation of this resolution is subject to subsequent approval and certification by the Joint
79 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or
80 delay the period for the conduct of the study, or authorize additional meetings during the 2005 or 2006
81 interim.