

054169102

## SENATE JOINT RESOLUTION NO. 400

Offered January 12, 2005

*Requesting the Secretary of Administration to prepare a program design for a voluntary, public-private health insurance purchasing pool for small businesses. Report.*

---

Patron—Colgan

---

---

Referred to Committee on Rules

---

WHEREAS, the Lieutenant Governor's Commission on Small Business Health Insurance Costs, in its examination of the difficulties small businesses face in being able to offer health insurance coverage for employees at affordable rates, has recommended that the Commonwealth take a dramatic step to change the way Virginia's small businesses buy health insurance for their employees; and

WHEREAS, the Commission on Small Business Health Insurance Costs specifically has recommended the creation of a voluntary, public-private program that allows businesses with 50 or fewer employees to enter a purchasing pool to purchase health insurance for their employees; and

WHEREAS, while a 1999 study by the Joint Commission on Health Care pursuant to Senate Joint Resolution 489 reported that an unsubsidized health insurance purchasing pool would be predicted to have only limited effectiveness in reducing insurance rates for small business, and other states have had mixed results with purchasing pools, the development of an effective program would give small businesses the flexibility to balance costs and coverage and provide the size necessary to spread risks; and

WHEREAS, the economic stimulus provided by helping small businesses with health insurance costs, and reducing the societal costs of having large numbers of uninsured Virginians makes a subsidy for the purchasing pool a worthwhile investment for the Commonwealth; and

WHEREAS, the details of the design for such a program are best developed by the Secretary of Administration in conjunction with other interested parties; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Secretary of Administration be requested to prepare a program design for a voluntary, public-private health insurance purchasing pool for small businesses. The purchasing pool program shall be designed to allow businesses with 50 or fewer employees to join a purchasing pool through which they may buy health insurance for their employees at a better rate than is otherwise available to them.

Other elements to be addressed in the program design shall include: (i) authorizing insurance professionals to negotiate with health insurers and plans on behalf of small businesses that participate in the pool; (ii) contracting by the Commonwealth, or an entity created by it, with private health insurance carriers to provide health insurance for the employees of participating small businesses; (iii) ensuring that adequate efforts are made to enroll a sufficient number of employers to make the pool effective; (iv) creating a timetable for implementation of such a program; and (v) identifying amounts and sources of funding for subsidies to establish competitive premium costs for participating small businesses and to provide premium assistance, on a sliding scale, for low-income employees of participating small businesses.

In preparing the program design, the Secretary of Administration shall work with interested persons in relevant sectors, including representatives of health insurance companies and health maintenance organizations, insurance agents, health care providers, and small businesses.

Technical assistance shall be provided to the Secretary of Administration by the Bureau of Insurance of the State Corporation Commission. All agencies of the Commonwealth shall provide assistance to the Secretary of Administration for this project, upon request.

The Secretary of Administration shall complete its meetings by November 30, 2005, and shall submit to the Governor and the General Assembly an executive summary and a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports no later than the first day of the 2006 Regular Session of the General Assembly and shall be posted on the General Assembly's website.

INTRODUCED

SJ400