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HOUSE JOINT RESOLUTION NO. 645

Offered January 10, 2007

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Establishing a joint subcommittee to develop a market-based, consumer-driven health insurance model for the Commonwealth. Report.

 Patron—Purkey

 Referred to Committee on Rules

WHEREAS, prices for health care have been rising faster than prices of other goods and services for several years; and

WHEREAS, much of the rate of increase in health care costs may be attributed to the structure of the current system by which people pay for medical services; and

WHEREAS, the current system, under which individuals rely on third parties such as employer-funded health insurance or government programs to pay for their health care services, has eliminated market forces that would temper the cost of health care; and

WHEREAS, according to the National Center for Policy Analysis, health care costs over the past 40 years have risen as the proportion of health care paid for by third parties has increased because individuals have no incentive to take actions to control health care expenditures when they do not directly benefit from the savings; and

WHEREAS, recent efforts to increase the stake that individuals have in the expenditure of health care resources, including the use of health savings accounts and requiring the payment of deductibles and copayments, offer evidence that market-based solutions hold the promise of tempering runaway health care inflation; and

WHEREAS, the current system's reliance on employer-funded health insurance has placed large firms in several industries at a competitive disadvantage to their global competitors who do not bear the burden of insuring the health of employees and retirees; and

WHEREAS, many healthy persons who could afford health insurance coverage voluntarily elect to forego such coverage, as a result of which the health care delivery system bears negative consequences through unreimbursed costs incurred when such persons receive unplanned medical care and through the higher premiums that are paid by other persons who do obtain health insurance coverage; and

WHEREAS, employers who employ undocumented employees, knowing that they will not have health insurance converge, force hospitals and other health care providers either to pass on the costs of unreimbursed care to taxpayers or to those patients who are insured or to absorb these costs; and

WHEREAS, a consumer-driven, market-based system could encourage those who have opted out of acquiring or providing traditional health insurance to participate, at lower costs and with fewer uncovered persons; and

WHEREAS, market-based measures hold the promise of increasing the efficiency of the current system, which in turn may provide lower costs for health care for more Virginians; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to develop a market-based, consumer-driven health insurance model for the Commonwealth. In conducting its study, the joint subcommittee shall (i) examine the costs to Virginia's taxpayers of the expense of unreimbursed health care provided by hospitals and other providers to the uninsured and (ii) develop recommendations for legislation to implement the joint subcommittee's recommendations.

The joint subcommittee shall have a total membership of eight. Members shall be appointed as follows: 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; and three members of the Senate to be appointed by the Senate Committee on Rules. The joint subcommittee shall elect a chairman and vice chairman from among its membership.

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

The joint subcommittee shall be limited to four meetings for the 2007 interim, and the direct costs of this study shall not exceed \$8,000 without approval as set out in this resolution. Approval for unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a companion joint resolution of the other chamber is

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59 agreed to, written authorization of both Clerks shall be required.

60 No recommendation of the joint subcommittee shall be adopted if a majority of the House members
61 or a majority of the Senate members appointed to the joint subcommittee (i) vote against the
62 recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the
63 joint subcommittee.

64 The joint subcommittee shall complete its meetings by November 30, 2007, and the chairman shall
65 submit to the Division of Legislative Automated Systems an executive summary of its findings and
66 recommendations no later than the first day of the 2008 Regular Session of the General Assembly. The
67 executive summary shall state whether the joint subcommittee intends to submit to the General
68 Assembly and the Governor a report of its findings and recommendations for publication as a House or
69 Senate document. The executive summary and the report shall be submitted as provided in the
70 procedures of the Division of Legislative Automated Systems for the processing of legislative documents
71 and reports and shall be posted on the General Assembly's website.

72 Implementation of this resolution is subject to subsequent approval and certification by the Joint
73 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or
74 delay the period for the conduct of the study, or authorize additional meetings during the 2007 interim.