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## SENATE JOINT RESOLUTION NO. 308

Offered January 10, 2007

Prefiled September 25, 2006

*Establishing a joint subcommittee to study the health insurance costs of state and local early retirees. Report.*

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 Patron—Miller
 

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Referred to Committee on Rules

WHEREAS, the annual premium for COVA Care health insurance (including basic dental) charged for single coverage for state retirees not eligible for Medicare was \$5,016 for the fiscal year beginning July 1, 2006; and

WHEREAS, the annual premium for COVA Care health insurance (including basic dental) charged for family coverage (3 or more family members) for state retirees not eligible for Medicare was \$13,572 for the fiscal year beginning July 1, 2006; and

WHEREAS, the Commonwealth does not fund a share of the health insurance premiums for state early retirees, as it does for active employees of the Commonwealth; and

WHEREAS, state retirees not eligible for Medicare are included in the same rating group as active employees for purposes of health insurance coverage, which helps to reduce the annual cost of health insurance premiums paid by such retirees; and

WHEREAS, state retirees with 15 or more years of service receive a monthly credit against their health insurance premiums equal to \$4 per year of service; and

WHEREAS, the costs of health insurance coverage to state retirees not eligible for Medicare can reach several thousand dollars per year notwithstanding the health insurance credit and the financial benefit from being grouped with active employees for purposes of health insurance coverage; and

WHEREAS, many state retirees not eligible for Medicare are struggling to afford the costs of health insurance coverage; and

WHEREAS, many local government retirees not eligible for Medicare find themselves in a similar plight as state retirees not eligible for Medicare; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study the health insurance costs of state and local early retirees. The joint subcommittee shall have a total membership of 13 members that shall consist of nine legislative members, three nonlegislative citizen members, and one ex officio member. Members shall be appointed as follows: three members of the Senate to be appointed by the Senate Committee on Rules; six 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 with significant experience in health insurance costs to be appointed by the Senate Committee on Rules; and two nonlegislative citizen members with significant experience in health insurance costs to be appointed by the Speaker of the House of Delegates. The Secretary of Administration or her designee 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 review current health insurance coverage available for state and local retirees not eligible for Medicare, current eligibility for health insurance credits used as an offset to the cost of such coverage, retiree health insurance coverage in surrounding states for state and local retirees not eligible for Medicare, and the mix of health insurance products currently offered to state and local retirees not eligible for Medicare. The joint subcommittee shall make recommendations with an objective of making health insurance coverage for retirees not eligible for Medicare more affordable.

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. Technical assistance shall be provided by the Department of Human Resource Management. All agencies of the Commonwealth shall provide assistance to the joint

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59 subcommittee for this study, upon request.

60 The joint subcommittee shall be limited to four meetings for the 2007 interim, and the direct costs of  
61 this study shall not exceed \$12,500 without approval as set out in this resolution. Of this amount an  
62 estimated \$2,300 is allocated for speakers and other expenses. Approval for unbudgeted  
63 nonmember-related expenses shall require the written authorization of the chairman of the joint  
64 subcommittee and the respective clerk. If a companion joint resolution of the other chamber is agreed to,  
65 written authorization of both clerks shall be required.

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

70 The joint subcommittee shall complete its meetings by November 30, 2007, and the chairman shall  
71 submit to the Division of Legislative Automated Systems an executive summary of its findings and  
72 recommendations no later than the first day of the 2008 Regular Session of the General Assembly. The  
73 executive summary shall state whether the joint subcommittee intends to submit to the General  
74 Assembly and the Governor a report of its findings and recommendations for publication as a House or  
75 Senate document. The executive summary and report shall be submitted as provided in the procedures of  
76 the Division of Legislative Automated Systems for the processing of legislative documents and reports  
77 and shall be 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 2007 interim.  
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