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## HOUSE JOINT RESOLUTION NO. 71

Offered January 9, 2008

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*Establishing a joint subcommittee to study whether state laws and regulations impede the ability of small businesses to act collectively in procuring health insurance. Report.*

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 Patron—Purkey
 

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 Referred to Committee on Rules
 

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WHEREAS, premiums for group health insurance policies have been rising at a faster rate than the overall inflation rate for the past several years; and

WHEREAS, the rising cost of health insurance is making it increasingly difficult for small businesses to provide such coverage for their employees; and

WHEREAS, many small businesses feel compelled to offer health insurance coverage for their employees to attract and retain a qualified workforce; and

WHEREAS, despite their desire to provide health insurance benefits, rising costs have led many small businesses to drop such benefits for their employees, which increases the number of uninsured Virginians and places additional strain on the medical service provision system in the Commonwealth; and

WHEREAS, unlike large employers who have the option of exempting themselves from state insurance laws by self-funding employee health plans under the Employee Retirement Income Security Act of 1974, small employers are constrained by state insurance laws and regulations; and

WHEREAS, small businesses have not been able to band together on a statewide level to exercise greater leverage in negotiating terms of coverage and premiums with health insurers; and

WHEREAS, attempts in Congress to enact legislation authorizing association health plans have not been successful; and

WHEREAS, the Commonwealth has attempted to address this issue in several ways, such as by authorizing pooling arrangements among small employers, recognizing multiple employer welfare associations, and encouraging the use of health savings accounts; and

WHEREAS, despite these efforts, small businesses remain unable to obtain more affordable health insurance policies by pooling their employees and purchasing power; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study whether state laws and regulations impede the ability of small businesses to act collectively in procuring health insurance. In conducting its study, the joint subcommittee shall develop recommendations for legislation to eliminate any barriers created by state laws and regulations found to be so impeding small businesses.

The joint subcommittee shall consist of eight members. 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, who shall be members of the General Assembly.

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 the 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 2008 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 agreed to, written authorization of both Clerks shall be required.

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

The joint subcommittee shall complete its meetings by November 30, 2008, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and

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59 recommendations no later than the first day of the 2009 Regular Session of the General Assembly. The  
60 executive summary shall state whether the joint subcommittee intends to submit to the General  
61 Assembly and the Governor a report of its findings and recommendations for publication as a House or  
62 Senate document. The executive summary and the report shall be submitted as provided in the  
63 procedures of the Division of Legislative Automated Systems for the processing of legislative documents  
64 and reports and shall be posted on the General Assembly's website.

65 Implementation of this resolution is subject to subsequent approval and certification by the Joint  
66 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or  
67 delay the period for the conduct of the study, or authorize additional meetings during the 2008 interim.