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**SENATE BILL NO. 353**

Offered January 9, 2008

Prefiled January 8, 2008

*A BILL to amend and reenact §§ 2.2-1207 and 2.2-1208 of the Code of Virginia, and to amend the Code of Virginia by adding sections numbered 51.1-513.2, 51.1-513.3, and 51.1-513.4, relating to long-term care coverage program for state employees, employees of local governments, local officers, and teachers.*

Patron—Stosch

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 2.2-1207 and 2.2-1208 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding sections numbered 51.1-513.2, 51.1-513.3, and 51.1-513.4 as follows:**

§ 2.2-1207. Long-term care insurance program for employees of local governments, local officers, and teachers.

A. The Department shall establish a plan or plans, hereinafter "plan" or "plans," subject to the approval of the Governor, for providing long-term care insurance coverage for employees of local governments, local officers, and teachers. The plan or plans shall be rated separately from the plan developed pursuant to § 51.1-513.1 to provide long-term care insurance coverage for state employees. Participation in such insurance plan or plans shall be (i) voluntary, (ii) approved by the participant's respective governing body, or by the local school board in the case of teachers, and (iii) subject to regulations adopted by the Department.

B. The Department shall adopt regulations regarding the establishment of such a plan or plans, and the administration of the plan or plans.

C. For the purposes of this section:

"Employees of local governments" shall include all officers and employees of the governing body of any county, city or town, and the directing or governing body of any political entity, subdivision, branch or unit of the Commonwealth or of any commission or public authority or body corporate created by or under an act of the General Assembly specifying the power or powers, privileges or authority capable of exercise by the commission or public authority or body corporate, as distinguished from §§ 15.2-1300, 15.2-1303, or similar statutes, provided that the officers and employees of a social services department, welfare board, mental health, mental retardation and substance abuse services board, or library board of a county, city, or town shall be deemed to be employees of local government.

"Local officer" means the treasurer, registrar, commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit court, sheriff, or constable of any county or city or deputies or employees of any of the preceding local officers.

"Teacher" means any employee of a county, city, or other local public school board.

*D. The Department shall not carry out the provisions of this section if and when the Virginia Retirement System assumes responsibility for the plan or plans pursuant to § 51.1-513.3.*

§ 2.2-1208. Long-term care insurance.

A. The Department of Human Resource Management shall develop, implement, and administer a long-term care insurance program for state employees and for any person who has five or more years of creditable service with any retirement plan administered by the Virginia Retirement System. The Department of Human Resource Management is authorized to contract for and purchase such coverage or use other actuarially sound funding necessary to effectuate this provision.

B. Any person eligible to participate in the long-term care insurance program established pursuant to § 2.2-1207 will not be eligible for this plan.

C. The Department shall adopt ~~emergency~~ regulations regarding the establishment and the administration of the plan or plans.

*D. The Department shall not carry out the provisions of this section if and when the Virginia Retirement System assumes responsibility for the long-term care coverage program pursuant to § 51.1-513.2.*

§ 51.1-513.2. Long-term care coverage program.

A. The Board shall, with the mutual consent of the Board and the Director of the Department of Human Resource Management, assume responsibility for the long-term care coverage program, established pursuant to § 2.2-1208, for state employees and for any person who has five or more years

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59 of creditable service with any retirement plan administered by the Virginia Retirement System. The  
60 Board is authorized to contract for and purchase insurance coverage or to use other actuarially sound  
61 funding necessary to effectuate this provision.

62 B. Any person eligible to participate in the long-term care coverage program pursuant to  
63 § 51.1-513.3 will not be eligible for this plan.

64 C. Notwithstanding the provisions of subsection A, the Board may self-insure long-term care benefits  
65 provided under § 51.1-513.2 or § 51.1-513.3 in accordance with the standards set forth in § 51.1-124.30.

66 § 51.1-513.3. Long-term care insurance program for employees of local governments, local officers,  
67 and teachers.

68 A. The Board shall, with the mutual consent of the Board and the Director of the Department of  
69 Human Resource Management, assume responsibility for the plan or plans, hereinafter "plan" or  
70 "plans," established pursuant to § 2.2-1207, for providing long-term care coverage for employees of  
71 local governments, local officers, and teachers. The plan or plans may, but need not, be rated  
72 separately from any plan developed to provide long-term care coverage for state employees under  
73 § 51.1-513.2. Participation in such insurance plan or plans shall be (i) voluntary, (ii) approved by the  
74 participant's respective governing body, or by the local school board in the case of teachers, and (iii)  
75 subject to policies and procedures adopted by the Board.

76 B. For the purposes of this section:

77 "Employees of local governments" shall include all officers and employees of the governing body of  
78 any county, city, or town, and the directing or governing body of any political entity, subdivision,  
79 branch or unit of the Commonwealth or of any commission or public authority or body corporate  
80 created by or under an act of the General Assembly specifying the power or powers, privileges or  
81 authority capable of exercise by the commission or public authority or body corporate, as distinguished  
82 from §§ 15.2-1300, 15.2-1303, or similar statutes, provided that the officers and employees of a social  
83 services department; welfare board; mental health, mental retardation and substance abuse services  
84 board; or library board of a county, city, or town shall be deemed to be employees of local government.

85 "Local officer" means the treasurer, registrar, commissioner of the revenue, attorney for the  
86 Commonwealth, clerk of a circuit court, sheriff, or constable of any county or city or deputies or  
87 employees of any of the preceding local officers.

88 "Teacher" means any employee of a county, city, or other local public school board.

89 § 51.1-513.4. Trust fund for long-term care programs.

90 The Board is authorized to establish a trust fund in connection with the long-term care insurance  
91 programs administered under §§ 51.1-513.2 and 51.1-513.3. The costs incurred by the Board in  
92 administering such long-term care insurance programs including the provision of case management and  
93 cost containment programs, shall be withdrawn from time to time by the Board from the trust fund. Any  
94 trust fund established by the Board under this section shall be deemed a separate and independent trust  
95 fund, shall be segregated from all other funds of the Commonwealth, and shall be invested and  
96 administered solely in the interests of the participants and beneficiaries thereof. Neither the General  
97 Assembly nor any public officer, employee, or agency shall use or authorize the use of such trust funds  
98 for any purpose other than as provided in law for benefits, refunds, and administrative expenses,  
99 including but not limited to legislative oversight of the long-term care insurance programs administered  
100 under §§ 51.1-513.2 and 51.1-513.3.