

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1251

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Spruill

3. Committee: General Laws

4. Title: **State employees; restoration of health insurance plan options in Hampton Roads area**

5. Summary: Requires any health insurance coverage plan established for state employees in Hampton Roads to include health insurance plan options available in the six months prior to the implementation of the COVA Connect pilot program instituted on July 1, 2009.

6. Fiscal Impact Estimates: Indeterminate, See Item 8 below.

7. Budget Amendment Necessary: N/A

8. Fiscal Implications: This bill would provide an “opt-out” for the COVA Connect program in the Hampton region. The COVA Connect program is designed to provide the same benefits and out-of-pocket costs as the COVA Care plan utilized in the remainder of the state. The primary difference being that Optima Health administers the COVA Connect program in Hampton Roads. State employees and state agencies pay the same premium for a given coverage type whether an employee is enrolled in COVA Care or COVA Connect, so allowing for an “opt-out” of the COVA Connect program would not directly increase or decrease premium income for the state employee plan as whole. However, allowing an “opt-out” may result in an increased cost in that if it results in large numbers of employees choosing to move back to COVA Care, overall administrative costs may increase. If the number of employees that “opt-out” is significant enough, it could result in a possible early termination of the program which could result in other costs.

9. Specific Agency or Political Subdivisions Affected: Department of Human Resource Management and agencies with employees in the Hampton Roads region.

10. Technical Amendment Necessary: N/A

11. Other Comments: None

Date: 2/8/2010 JDH

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cc: Secretary of Administration