

# 1997 SESSION

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## HOUSE BILL NO. 1762

Offered January 8, 1997

*A BILL for the relief of S. Galeski Optical Company.*

Patron—Cantor

Referred to Committee on Claims

Whereas, in late 1994, S. Galeski Optical Company was informed by HMO Healthkeepers, Inc., that Trigon Blue Cross Blue Shield planned to bid on a contract with the Commonwealth of Virginia to provide vision and medical coverage to the Commonwealth's employees and municipal employees; and

Whereas, based on contract arrangements with Trigon, Galeski would provide the primary eye care with the administration of the plan to be handled by Trigon; and

Whereas, Galeski invested in new facilities and new equipment and hired new employees as a result of its contract with Trigon and Trigon's contract with the Commonwealth; and

Whereas, Trigon and Galeski moved forward with capital expenditures based on the belief that there was a three year contract with the Commonwealth and that initial losses would be offset over the term of the contract; and

Whereas, in September 1995, representatives of HMO Healthkeepers met with representatives of Galeski and informed them that the Commonwealth's contract would be terminated effective January 1, 1996, because the Commissioner of Insurance determined that carriers acting as third party administrators were not insurers; and

Whereas, Galeski suffered losses as a result of the early termination of the contract; and

Whereas, Trigon provided partial relief for the losses in the amount of \$262,600; and

Whereas, Galeski suffered an additional loss of \$753,000 for which there has been no relief; and

Whereas, Galeski Optical Company has no other means to obtain relief except by action of this body; now, therefore,

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

*1. §1. That there is hereby appropriated from the general fund of the State Treasury the sum of \$753,000 for the relief of S. Galeski Optical Company to be paid by check issued by the State Treasurer on warrant of the Comptroller to S. Galeski Optical Company, upon execution by one of its authorized representatives of a release of all claims it may have against the Commonwealth or of any agency, instrumentality, officer, employee or political subdivision thereof, in connection with the aforesaid occurrence.*

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