logo Image not found or type unknown

$20 Million Insurance Cost Rise Spurs Debate on Physician Fraud; Senator Argues Gov't Must Absorb Costs, Not Employees

Senators deliberate rising health insurance costs for government employees and retirees, with calls for stricter actions on fraud and no additional financial burden on workers

Health / **Published On September 20, 2024 05:49 AM /**

Nelcia Charlemagne September 20, 2024

Image not found or type unknown

Government employees and retirees can expect nearly $20 million in additional insurance costs for fiscal year 2025, according to Dr. Gilbert Commissiong, co-Chair of the GESC Health Insurance Board. Testifying before the Senate Committee of the Whole on Thursday, Dr. Commissiong revealed that the total increase of $19,948,273—covering employee, retiree, and government contributions to dental, vision, and life insurance—represents a 9.7% rise compared to fiscal year 2024.

Despite the increase, Dr. Commissiong reported that things could have been even more expensive. The board, he said, successfully negotiated rate caps with Cigna Healthcare, whose plan covers active government employees. Without these caps of 8% for medical coverage and 3% for dental coverage for the upcoming fiscal year, anticipated increases would have been closer to 25%, he said. Additional cost savings, though, would require significant changes to the coverage provided.

“Due to both plans not performing well, they are indicating that they cannot provide any further rate relief without changing our plans and or reducing the services they provide,” said Dr. Commissiong. However, the board considers it “vital” to leave current insurance plans unchanged to ensure co-payments, deductibles and out-of-pocket maximums are not increased.?

Cigna will continue to provide an established suite of holistic programs that benefit the community, including providing nursing scholarships at the University of the Virgin Islands and the continuation of a “modest prediabetes prevention program.” Cigna will also maintain two mobile vans, and the Cigna Foundation will “continue to offer $250,000 in grants over the next year to nonprofits in the territory, helping those living with obesity, high blood pressure, diabetes and other chronic conditions,” Dr. Commissiong said.

Meanwhile, United Healthcare “was the only insurer who responded to the post-65 retiree coverage,” Dr. Commissiong noted. Like Cigna, there are increases associated with United’s new offer. Overall payments will increase by 32%, negotiated down from 38%. Still, “the 32% increase is an overall increase of approximately $6.35 million.” Like with the Cigna coverage, he said that the board found it prudent not to seek more savings, so as to forego “any additional changes that would further increase the cost to the retirees in the form of higher deductibles, co-payments and out-of-pocket maximums.”?

“As you may recall, the Senate absorbed the increases to employees and retirees in the current fiscal year 2024,” said Dr. Commissiong to lawmakers. It means the government covers 73% of the insurance cost share while employees and retirees pay the remaining 27%. “If the government reverts to the 65/35 split, this would drastically increase an employee's or retirees payroll contribution,” warned the board’s co-chair.

Mindful of current financial constraints, Dr. Commissiong implored that “if the Senate cannot absorb the increase in its entirety, we ask the Senate not to levy more than a 4% increase to the payroll deductions of our employees and retirees.”

“The government of the Virgin is going to have to take care of this cost,” declared Senator Ray Fonseca. He argued in favor of at least maintaining the current split, telling his colleagues that “right now, we cannot afford to put any additional burden on the employees or on the retirees.”

Other lawmakers asked about other areas in which additional cost savings could be identified. Senator Marvin Blyden wondered about whether opportunities exist to clamp down on fraud and abuse. Deepali Sahi, a senior client manager for Cigna, said that such cases had been identified over the years, but indicated that dealing with these issues was often a delicate matter. “Due to the lack of physicians…they are more so getting a message or messaging that we know that this is happening, rather than saying that we are not going to work with you as a provider,” she said. “We don't want to take away people's doctors from them,” Ms. Sahi explained.

Sen. Blyden insisted that some consequences must come to physicians who are defrauding the system. “They just cannot, in my opinion, get a slap on the wrist…something must be done,” he retorted. Ms. Sahi said that her team was working with VI Equicare on the issue, “because those physicians are part of the VI Equicare network.”

?For their part, the GESC Board is pursuing “several initiatives to control and reduce health care costs.” However, those present agreed that the surefire way to reduce these costs is to have a healthier population.

Any votes to address the matter will be taken in a subsequent Senate session.