logo Image not found or type unknown

Officials Warn of $34M Budget Gap as Bryan Pushes for Self-Funded Health Insurance for Government Workers

With premiums projected to rise 18% this year, Bryan is urging lawmakers to consider a self-funded insurance model that could save up to $50 million annually, as officials warn the current system is unsustainable for both government and workers.

Health / **Published On July 31, 2025 05:15 PM /**

Janeka Simon July 31, 2025

Image not found or type unknown

Ahead of a special legislative session scheduled for Friday, Governor Albert Bryan Jr.'s proposal to explore a self-funded health insurance model for government employees and retirees was reintroduced to the public during a panel discussion earlier this week.

Presenting the proposal were Director of Property and Procurement Cindy Richardson, Finance Commissioner Kevin McCurdy, and Diabetes Center of Excellence Executive Director Dr. Julia Sheen, joined by Clint Ferris, the Governor's policy advisor for health, hospitals, and human services.

Senators are being asked to authorize the formation of a special committee that would examine the viability of shifting from the current fully-funded insurance model to a self-funded structure.

Currently, “the government is paying a fixed monthly premium to the insurance carriers, regardless of how many claims are filed,” explained Director Richardson. “Even if the claims are low, the cost remains the same. And if the claims exceed expectations, we face an increased premium upon renewal of our contract,” she said.

Premiums are already rising, and officials warned of a significant financial impact if the current model continues. “Last year was eight percent. This year we’re looking at 18 percent,” said Commissioner McCurdy. “That’s $34 million that we have to find,” he stressed.

“That’s $34 million that’s going to be taken away from vendor payments, allotment to the hospitals, allotments to the university,” McCurdy added. “That’s $34 million we won’t have anymore.”

While acknowledging that absorbing the full increase would be difficult, McCurdy made clear that passing the cost to employees is not a viable option. “It would be unconscionable to pass that $34 million onto employees,” he said. “That would mean reduced paychecks for all of us.” Even a 50/50 split would place an additional $17 million burden on both employer and employee, he noted.

Instead, the Bryan administration believes that transitioning to a self-funded insurance model could yield annual savings between $20 million and $50 million. Of that, McCurdy estimates that $13 million could be saved on administrative costs alone.

The special committee being proposed would be responsible for investigating the feasibility of the change and overseeing a procurement process if the shift proves beneficial.

Richardson noted that experts are already advising on the proposal and bring with them experience from similar transitions. “Consultants already on board have already transitioned other employers from a fully-funded to a self-funded [model],” she said. “I do think we have all the necessary resources.”

Ultimately, the panel argued, the alternative to this shift is an ongoing, near-guaranteed rise in premiums year after year, without flexibility or long-term cost control. “Finding out the true costs and ramifications of moving to a self-funding model is a worthwhile endeavor,” they concluded.

© Viconsortium 2026