

## Health Insurance Costs Dominate DOP's \$66.85 Million FY2027 Budget Hearing

**DOP says health insurance premiums total \$132.7 million for about 14,080 covered individuals, with the government paying 73%; lawmakers pressed wellness expansion and questioned whether lower utilization should keep Cigna rates from rising in FY2027.**

Health / **Published On June 25, 2026 06:27 AM /**

Nelcia Charlemagne **June 25, 2026**

Image not found or type unknown



The cost of health insurance for government employees and retirees dominated the Division of Personnel's budget hearing on Wednesday, with officials outlining more than \$132 million in premiums while lawmakers pressed the agency on wellness efforts, possible Cigna increases and ways to reduce the government's long-term financial burden.

The Division of Personnel is requesting \$66,853,857 for fiscal year 2027, including \$66,263,857 from the General Fund, \$590,000 from the Indirect Cost Fund and approximately \$45,000 from the Training Revolving Fund. DOP is also requesting a contribution from the Miscellaneous budget fund.

Insurance payments stand out as the agency's largest expense. In her testimony, DOP Director Cindy Richardson said that as of May 2026, approximately 14,080 individuals were receiving health insurance coverage. That includes 6,957 active employees, 1,113 Cigna retirees and 6,505 retirees covered by UnitedHealthcare.

According to Ms. Richardson, those participants account for \$132,732,592.58 in health insurance premiums. The government covered 73% of the amount, totaling \$80,106,417.96, while employees covered the remaining 27%, totaling \$29,628,401.17.

That cost is expected to increase, though DOP officials said negotiations with Cigna are still underway.

"While we do not have concrete confirmed information on whether or not there'll be an increase. We did budget an estimated \$19,935,999," Deputy Director Valcina Quashie told Senator Dwayne DeGraff. The \$19 million allocation represents the employee/employer share.

DOP expects to receive a "definite number" by July.

"I'm anticipating that it will not be as high as it was last year, but I do anticipate some sort of increase. They're currently in negotiations right now..." Ms. Richardson explained.

While the agency waits for final figures, DOP continues to promote the GVI Wellness Program. To "enhance employee participation and engagement", the agency "restructured...events and activities by introducing a blend of new and established wellness offerings."

Government employees can benefit from free gym memberships at select locations, healthy cooking classes, fitness programs and incentives for meeting health goals.

Ms. Richardson said DOP is receiving reports of "weight loss, better diets, better sleep" from participants.

Senator Novelle Francis, chair of the committee, encouraged the agency to continue that progress "because we certainly can't afford an increase."

Health insurance utilization has also dropped. According to Chief of Group Health Insurance Valeria Daley, the rate is in the "80s." Senator Kurt Vialet said the decrease should support keeping insurance rates stable. In July 2025, medical claims expenditures were at 113% of the medical plans' premiums.

"I want to send it out to Cigna. You don't need to have an increase this year. You don't need to negotiate an increase. If we're doing a lot better, leave the numbers the same," Mr. Vialet told Ms. Daley. "Let's see how we could continue to push these wellness programs, [and] hopefully keep the numbers in the 80s or decrease the numbers."

Lawmakers appeared interested in supporting the wellness program as a way to improve employee health and help contain insurance costs. Ms. Daley said an additional \$1.5 million would be "satisfactory to allow us to expand the gym membership on both St. Croix and on St. John."

Senator Francis said lawmakers would “definitely consider that.”

DOP’s budget breakdown includes \$38,210,672 for health insurance for retirees and \$19,935,999 for the insurance employer/employee share. The request also includes \$90,000 for the VI Certified Public Manager Program and \$101,253 for GVI Employees Recognition.

The agency has budgeted \$275,000 for the contribution to the Health Insurance Board and \$315,000 for health insurance consultants.

DOP’s operating budget totals \$6,376,054. That includes \$3,635,884 for personnel costs, \$1,785,758 for fringe benefits, \$106,471 for supplies, \$797,941 for other services and \$50,000 for capital projects. A separate \$959,879 is set aside for the GVI Fellows Program.

Although the hearing focused heavily on insurance, lawmakers also questioned personnel spending.

“Why is it the numbers grow irrespective of how much we spend on technology and innovation?” Senator Hubert Frederick asked Ms. Richardson.

Ms. Richardson said that while DOP is modernizing processing, the department is “repurposing” staff rather than letting them go. She also defended the level of spending on employees, telling Mr. Frederick that “the cost of living is increasing, so that’s going to do some increased costs.”

Senator Frederick also expressed concern that DOP’s staffing complement includes more unclassified workers than classified personnel.

“We’re going to have more high-end people in there than line folks that we do need,” he said.

Ms. Richardson stood by the agency’s staffing approach.

“In order for us to be high functioning and efficient, we need to pay people what they’re worth,” she said.