

The Virgin Islands Consortium

New CIGNA Health Contract Increasing Government Premiums By \$6.24 Million Heads To Senate

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Upon receiving the health insurance contract for government employees by the Health Insurance Board of Trustees, Governor John P. de Jongh, Jr. declined signing the contract because of a \$6.24 million increase in the government's portion of the health insurance premiums, and has sent the contract to the 30th Legislature for its ratification.

Despite his decision to not sign the contract, the Governor is hoping the Senate will be able to identify and appropriate funding, and also approve the agreements outlined within the contract. If the Senate is able to do so, the governor said he will approve and sign it.

"Despite the fact that I transmit these contracts to the 30th Legislature for the senators' consideration unsigned by me, should the body identify, appropriate the increased funding and approve the agreements, I will approve the renewal agreements to provide health insurance coverage to the thousands of Virgin Islanders who are either active employees of the government, retirees or their dependents," de Jongh said in a transmittal letter to Senate President Shawn-Michael Malone.

The Health Insurance Board of Trustees also denied the governor's request of a 60-day extension of the contract already in place with CIGNA, a move the governor says, along with other board decisions, has placed V.I. government employees in an unfavorable position.

"The Board's position is not a recognition or acceptance of the financial challenges that we face as a Government," de Jongh said. "Admittedly, the Legislature is near the end of the FY 2015 budget process and depending on their revenue projections, may consider an approval. But, there is no ignoring that the Board's handling of this matter has unnecessarily put all of us at risk."

The government's current contract with CIGNA ends today, leaving the Senate with little choice but to find the extra \$6.24 million in added health insurance premiums, approve the agreement and send it back to the governor for his signature. In the event the Senate is unwilling to do so, health insurance coverage for over 7,000 government employees will lapse.

Aside from the main health insurance contract, de Jongh said his office had not yet "received any renewal relative to the Agreement for Group Life and Accidental Death and Dismemberment Insurance."