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Senate Discusses Option to Supplement Increase of Health and Dental Insurance For Government Employees

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Kyle Murphy **September 15, 2021**

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A logo sign outside the headquarters of health insurer Cigna in Bloomfield, Connecticut on November 21, 2015. By. ALAMY

Solutions to absorb costs of increased health and dental insurance premiums was the focus of Tuesday's Committee of the Whole meeting, as lawmakers work to wrap up budget enabling legislation before the end of September.

Senators heard from the Division of Personnel and the Government Employees Service Commission (GESC) Health Insurance Board on possible strategies. According to GESC Chairwoman Beverly Joseph, "For all health insurance coverages combined (including dental,

vision and life), plan outlays will be increasing from \$171.5 million in FY21 to \$177.1 million in FY22." She said the increase was approximately \$5.6 million, or 3.3 percent. The increase is attributable to the rise in medical, dental, and life insurance premiums, she added, and said the GESC board recommended accepting the renewal rate.

"Cigna is allowing the government, at its discretion, to take a premium credit in the amount of \$4.7 million from the Premium Stabilization Reserve Fund to offset the increase to the government and allow the government to absorb the increase on behalf of the employees," Ms. Joseph said. This would offset the \$5.6 million increase.

Kurt Gehring, CEO of Gehring Group, the consulting firm used to assist the government in the negotiations, explained how funds accrue in the Premium Stabilization Reserve (PSR). "CIGNA gives us guaranteed administrative costs and guaranteed numbers to say these are the fixed costs that we need. At the end of the year there is an accounting done on the launch ratio and if there is a surplus, that surplus is put into the Premium Stabilization Reserve. That's why we thought it was so important this year in order to assist with the possible funding of the increase that you have the ability to take the PSR money after the renewal."

The four matters that were discussed at Tuesday's hearing were:

- The Third Renewal of the Group Medical Health Insurance Agreement between the Government of the Virgin Islands, through the GESC/Health Insurance Board of Trustees, and Cigna Health and Life Insurance Company for Group Health Insurance
- The Third Renewal of Group Dental Health Insurance Agreement between the Government of the Virgin Islands, through the GESC/Health Insurance Board of Trustees, and Cigna Health and Life Insurance Company for Group Dental Insurance
- The First Renewal of the Agreement between the Government of the Virgin Islands, through the GESC/Health Insurance Board of Trustees, and Standard Insurance Company for Group Life and Accidental Death and Dismemberment Insurance
- The Second Renewal of the Group Vision Health Insurance Agreement between the Government of the Virgin Islands, through the GESC/Health Insurance Board of Trustees, and Standard Insurance Company for Group Vision Insurance

These matters will be voted on during a legislative session on Friday, according to Senate President Donna Frett-Gregory. While the potential solution to absorb the cost of the increased premiums was discussed, the Senate did not make a determination Tuesday.

Elsewhere, Cigna will continue to include the following in its contract with the GESC Board:

- Support the USVI community by providing six two-year nursing scholarships to the University of the Virgin Islands in the amount of \$6,250 per student per year and providing previously \$250,000 in grants awarded to non-profit agencies through the Cigna Foundation.

- Provide a Wellness Fund of \$700,000.
- Continuation of the two (2) full time on-site Customer Service Representatives; one located on St. Thomas and the other located on St. Croix.
- Inclusion of MotivateMe, a turnkey wellness incentive program that gives employees opportunities to earn rewards for taking charge of and improving their health.
- Continuation of the 2 Cigna Offices located on St. Thomas and St. Croix each with two (2) Registered Nurses. Members can come to the offices to complete their Biometrics and receive health coaching from the Nurses.
- Continuation of Omada's Pre-Diabetes Prevention Program.

Senator Franklin Johnson sought to learn whether CIGNA would continue to cover clients that are not vaccinated. D.A. Callahan, senior client manager at CIGNA, and Giselle Cushing, CIGNA's market president for South Florida and the Caribbean, both said CIGNA is not withholding coverage from unvaccinated persons.