

LOCAL OPTION HEALTH INSURANCE PLAN

SB 364 - CHAFIN

VIRGINIA SHERIFFS' INSTITUTE
ANNUAL SPRING MEETING, APRIL 28, 2016



LEGISLATIVE ACTIVITY

- **5 bills introduced** for schools and local government health insurance
 - **HB 1215 (Kilgore)** – local school boards & governing bodies may elect to participate in the **state employee health plan**
 - **HB 848 (Cline)** – localities & local school boards may elect to participate in the **state employee health insurance plan**
 - **SB 384 (Vogel)** – local school divisions may elect to participate in the **state employee health plan** for a 3 year renewable term
 - **SB 675 (Chafin)** - local school boards & governing bodies may elect to have employees and retirees participate in the **state employee health plan**
 - **SB 364 (Chafin)** – DHRM may develop a **local option health insurance plan** with benefits similar to state employee health insurance plan that uses a single rating pool

SB 364 - CHAFIN

- **Local Option Health Insurance Plan**
 - Authorizes Virginia Department of Human Resource Management (**DHRM**) to **develop a plan** under the local option health insurance plan
 - In addition to The Local Choice (TLC) plans
 - Permits a plan **similar to the state employee health insurance plan**
 - Allows a **single rating group**
- Incorporates SB 384 (Vogel)
- Amends Va. Code §2.2-1204

STATUS UPDATE

- **Work-in-Progress**
- Draft **subject to change**
- **Preliminary**
- Implemented only if **cost effective**



COMMUNICATION

- **Outreach to legislators**
 - Identify interested constituents
- Hold **stakeholder meetings** across the state
 - Discuss program development
 - Identify interested groups
- **Ongoing communications**
- Link to State Employee Health Benefits Program 2016 Open Enrollment **materials:**
 - <http://www.dhrm.virginia.gov/healthcoverage/open-enrollment>



RULES & PLAN DESIGN

- Intend to make it as **similar** as possible to **COVA Care**
 - Think of it as **COVA Care Local**
- **Analyze plan provisions**
 - Ensure **legal compliance**
 - **Protect program assets**
 - Adverse experience adjustment
- Consider **administrative issues**
- Develop **system processes** to facilitate eligibility and claims needs



PRELIMINARY INTEREST

- Indication by groups of **preliminary interest** in program participation
- **Submission of information** for actuarial analysis to determine programs required funding
- Development of **preliminary rate range**
- Identification of **minimum program participation**



PROCUREMENT

- **Determine if separate procurement needed**
 - If value of existing health plan contract increases by more than 25%, a plan procurement will be required

Current contractors

WHO TO CONTACT QUICK REFERENCE

Anthem Member Services <i>(medical, pharmacy, optional vision/hearing)</i>	1-800-552-2682 anthem.com/cova
Anthem Behavioral Health and Employee Assistance Program (EAP)	1-855-223-9277 anthemEAP.com <i>(Company Name: Commonwealth of Virginia)</i>
Anthem ID Card Order Line	1-866-587-6713
BlueCard <i>(coverage outside Virginia)</i>	1-800-810-2583 www.bcbs.com
Delta Dental	1-888-335-8296 www.deltadentalva.com
LiveHealth Online	livehealthonline.com

ELECTION TO PARTICIPATE

- **Sign up**
 - May require a Board resolution
- **Plan year would be the same as the state plan year**
 - FY July 1 to June 30
 - Short plan year may be needed the first year



OPEN ENROLLMENT

- **Develop tools** for groups to educate employees
- **Provide formats** for written materials for groups to individualize and use as employee resources
- **Model process** after state plan open enrollment

2016 Benefits at a Glance 

Health Plans	COVA HealthAware (Aetna)	COVA Care (Anthem)	COVA HDHP (Anthem)	Kaiser Permanente (Kaiser)
Benefits	You Receive	You Receive	You Receive	You Receive
Health Reimbursement Arrangement (HRA) Employer deposit to your HRA on July 1, 2016	\$600 employee \$600 enrolled spouse	Not available	Not available	Not available
In-Network Benefits	You Pay	You Pay	You Pay	You Pay
Deductible – per plan year				
• One person	\$1,500	\$300	\$1,750	None
• Two or more persons	\$3,000	\$600	\$3,500	None
Pharmacy expenses apply toward deductible	Yes	Not applicable	Yes	Not applicable
Out-of-pocket expense limit – per plan year				
• One person	\$3,000	\$1,500	\$5,000	\$1,500
• Two or more persons	\$6,000	\$3,000	\$10,000	\$3,000
Pharmacy expenses count toward out-of-pocket limit	Yes	Yes	Yes	Yes
Doctor's visits (in person and telemedicine)				
• Primary care physician	20% after deductible	\$25	20% after deductible	\$25
• Specialist	20% after deductible	\$40	20% after deductible	\$40
Hospital services				
• Inpatient	20% after deductible	\$300 per stay	20% after deductible	\$300 per admission
• Outpatient	20% after deductible	\$125 per visit	20% after deductible	\$75 per visit
Emergency room visits	20% after deductible	\$150 per visit (waived if admitted)	20% after deductible	\$75 per visit (waived if admitted)
Ambulance travel	20% after deductible	20% after deductible	20% after deductible	\$50 per service

TENTATIVE TIMELINE

Date	Action
Spring 2016	Begin outreach to legislators and constituents
Summer 2016	Develop program rules
Fall 2016	Preliminary indication of interest
Fall 2016 – Summer 2017	Procurement if needed
Fall 2017	Election to participate
Spring 2018	Open enrollment May 2018
Summer 2018	Go Live July 1, 2018