

GESC SHARES THE GOVERNMENT EMPLOYEES RENEWAL OF THE HEALTH AND DENTAL INSURANCE PLAN

Date : September 27, 2019

ST. THOMAS- Members of the 33rd Legislature led by Senate President Novelle E. Francis, Jr., convened in Committee of the Whole at the Capitol Building on Thursday, to receive testimony on the renewal of the government's Health and Dental Insurance agreement for active employees, their dependents and retirees under 65. The current agreement expires on September 30, 2019.

Representatives from the Government Employees Service Commission (GESC), Division of Personnel, CIGNA , Equicare and United Health Care were present to testify on the health and dental insurance agreements. Beverly Joseph, Chairperson of the GESC said that the GESC and its consultant, The Gehring Group, worked hard to ensure that there would be no changes to the plan's coverage and negotiated with CIGNA to reduce a FY 2020 renewal rate increase from 25.2% to 12.85%. The FY 2020 plan maintains the current 65% paid by GVI and 35% paid by employees and retirees and also expands Cigna's worksite insurance products.

In comparison to \$154.4 million in FY 2019, the Health Insurance Coverage Plan increased to \$170.8 million for FY 2020, according to Joseph. This increase of \$16.3 million is largely attributed to rising medical claims. For example, the amount paid out in claims for the past 11 months is estimated at \$126 million and by the end of the fiscal year, those numbers are expected to increase. In previous years, the Legislature appropriated funds to remove the burden of any increases from the employees. The Legislature has appropriated funds in the FY 2020 to once again keep the increases in insurance premiums from being passed on to the employees.

Sen. Oakland Benta stated that in comparison to the mainland, healthcare in the Virgin Islands is almost three times the amount. "Residents of the Virgin Islands are charged excessively and there is no clear indicator as to why. Our premium goes up because of the cost of services being provided by local physicians." In response to an inquiry from Sen. Novelle Francis about the causes for the increase in medical claims. Joseph noted that there is a rise in catastrophic illnesses such as cancer, diabetes, high blood pressure, muscular skeleton, and heart disease in the territory. Cigna Client Manager Dorothyann Callahan added that as a result, there are monthly claims estimated at \$25,000 for either employee or their dependents. Most of the claimants are 44

to 65 years old. The increase in medical illnesses and claims are some of the contributing factors to the overall increase in the FY 2020 Cigna HealthCare Insurance Plan.

Members of the 33rd Legislature encouraged the GESC to do more public education about the range of benefits and programs available to beneficiaries, to include wellness initiatives and employee assistance programs.

CIGNA has also committed to provide \$700,000 for the Wellness Incentive Program, two full time customer service representatives available for policyholders, the Omada Pre-Diabetes Program, two Health Improvement Offices staffed with four nurses, the Motivate Me Incentive Program that offers rewards to employees who take care of their health, performance guarantees that place 1% of premium at risk if performance metrics are not achieved, and six two year Nursing Scholarships totaling \$75,000 over a period of five years. ###