SPECIAL SESSION

Legislature USVI

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0:00:00 Oh Thank you. Thank you. I love you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. ¶¶ Thank you. Thank you. so I love you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you.

0:10:30 Thank you. Thank you. Thank you.

0:12:00 Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you.

0:15:30 Thank you. ¶¶ so so my

0:18:00 so do ¶¶ Thank you. La la Thank you.

0:21:00 We'll be right back. ¶¶ Thank you.

0:22:30 ¶¶ ¶¶ Thank you. Oh, my God. so so so

0:25:59 so do so Thank you.

0:27:59 uh uh Thank you. Oh, my God. Oh, my God. Here we go. Thank you. Thank you. Thank you. Thank you. so Oh, my God.

0:33:29 Thank you. Thank you. Thank you. Thank you. Thank you. Thank you.

0:36:29 Thank you. so so uh so Thank you.

0:39:29 so do so Let's go. Thank you. Thank you. Thank you. I'm sorry. Oh Thank you.

0:44:29 Good morning, morning colleagues, morning to our central staff employees who do exceptional work behind the scenes, and a special good morning to the people of the U.S. Virgin Islands. Legislative special session of Friday, August 1st, 2025, is hereby called to order. Please rise as we ask legislative chaplain, the Reverend Charles L. Brown, Jr., to proceed with the invocation, followed by the national anthem and the Virgin Islands march. Reverend Brown. Let every heart pray. This is the day that the Lord has made. We shall rejoice and be glad in it.

0:45:31 Yahweh, we long for your divine blessing on this gathering of leaders so that the legislative process today addresses real needs and makes a positive impact in our territory. Give the senators and other stakeholders discerning hearts and minds that perceive decisions which are in the best interests of us all. Consecrate them with your wisdom, El Shaddai, and have them legislate in ways that instill trust in the first branch of government.

0:46:03 Anoint their speech. Order their steps, Jehovah. We pray in the matchless, priceless name of Jesus the Christ, amen. Thank you. Thank you. Thank you. Thank you. Thank you.

0:48:54 Thank you. Please be seated. Mr. Secretary, can we please have a roll call? Yes, Mr. President. Senator Marvin A. Blyden. Senator Marvin Blyden present. Senator Anghel Bulquez, Jr. Present.

0:49:28 Senator Bulquez, Jr. Present. Senator Dwayne M. DeGraff. Senator DeGraff. Absent. Senator Ray Fonseca. I'm here. Senator Fonseca. Present. Present. Senator Novel E. Francis Jr. I'm here.

0:49:57 Senator Francis Jr. Present. Senator Alma Francis Heiliger. Present. Senator Francis Heiliger. Present. Senator Hubert L. Frederick. Senator Frederick, absent. Senator Kenneth L. Gittins. Here. Senator Gittins, present. Senator Maurice C. James. I am here.

0:50:29 Senator James, present. Senator Franklin D. Johnson. Here. Senator Johnson, present. Senator Carla J. Joseph. Present. Senator Joseph, present. Senator Clifford A. Joseph Senior. Here. Senator Joseph Senior, present. Senator Avery L. Lewis, present. Senator Lewis, present. Senator Milton E. Potter, here. Senator Potter, present. Senator Kurt A. Verley, here. Senator Verley, present.

0:51:14 Mr. President, you have 13 members present, to absent for today's special session thank you very much mr. secretary colleagues we have a quorum and we're prepared to proceed madam clerk are there any pieces of correspondence to be read into the record at this time yes mr. president please proceed letter dated august 1st 2025 the honorable milton e potter president 36 legislature of the virgin islands there mr. president please accept this letter as a formal notice that I will not be in attendance to the special session and the Committee of the Whole meeting on Friday, August 1st, 2025 at the Earl B. Otley Legislative Hall at 11 a.m. on St. Thomas due to a scheduled prior commitment. I ask that you mark me as excuse in this matter. Thank you in advance for your understanding. Sincerely, Dwayne M. DeGraff, Minority Leader, 36th Legislature of the Virgin Islands. Letter dated august 1st 2025 to the honorable senate milton e potter senate president 36th legislature of the virgin islands their honorable milton e potter please accept this correspondence as a formal request to be excused from today's committee of the whole beginning being held at 11 a.m on friday august 1st 2025 at the earl b ottley legislative hall on st thomas my absence is due to a previously scheduled out-of-territory engagement that predates the official notice of this meeting i do apologize for any inconvenience my absence may cause thank you for your understanding and i extend my best wishes to the 36th legislature of the virgin islands for a productive and informative meeting regards senator hubert l fedrick 36th legislature of the virgin islands this concludes the correspondence mr president thank you so very much madam clerk please record

0:53:10 Senator Duane de Graff and Senator Hubert Frederick as excused. Mr. Mr. President, you have 13 members still present and two excused. Thank you. Thank you very much. We'll now ask our legislative pages, we'll introduce them to you today, two brilliant young Virgin Islanders who will be working very hard today for the people of the Virgin Islands. We have, let's do ladies first. She is no stranger to the Virgin Islands legislature. All right, we have Ms. Saida Sekou.

0:53:54 Ms. Sekou is a senior at the University of the Virgin Islands. She is a proud member of the Alpha Kappa Alpha sorority. Her favorite subject is English. She enjoys gym and reading. And her career goals is to become an editor. So I want to welcome you, Miss Sekou. Work hard.

0:54:30 We're going to give you a first-class meal and a couple of dollars to put in your college fund. Thank you very much. You shut down the lights. You shut down the lights, Saeeda. I've got to take that back to a few more. We're going to pause until the lights are. All right. All right. The next young man to my left, Mr. Maceo Edwards, Malcolm Freeman IV, that's a powerful, powerful individual.

0:55:10 Maceo is a senior at the Peter Gruber International Academy. His school activities are volleyball and basketball. His favorite subject is global politics. So colleagues, brace yourself. You have a competitor for your spot. His hobbies are

cooking, sports, and cyber patriots. OK. We all know what that is, right? No, I don't know. I ain't quite sure what it is. Cyber patriots, it got to be something powerful. extracurricular activities, sports, games, PTP tech crew. I'm gonna have to ask him to tell us what all of that is about. You could tell us now. What's the PTP tech crew? What's that? Okay, we got a mic. Thank you. PTP tech crew is basically like the tech group for our school so we help like um we help run productions for our school think uh performances think like dances things like that oh yeah cyber patriots is basically my school's um team for this thing called well cyber patriots um we basically do cyber security um things are along that nature all right awesome give mr freeman a round of applause thank you very much mr freeman we're going to give you just like saeeda we're going to give you a first class meal a couple of dollars in your paycheck and a little bit of experience so we uh look forward to seeing big big things from you and saeeda and the virgin islands in the future thank you very very much I ain't even responding to that statement, Mr. Mr. V.P. Colleagues, as you know, pursuant to Section 7A of the Revised Organic Act, the governor of the Virgin Islands may call special sessions of the legislature at any time when in the governor's opinion the public interest may require it any matter specified by the governor's call for a special session must be numbered introduced and

0:57:42 assigned by the president to the committee with appropriate jurisdiction if time permits or to the floor for immediate consideration as appropriate no legislation may be considered at any special session other than specified in the governor's call why the legislature is in special session madam clerk can you please read today's agenda into the record consider consideration of bills bill number 36-0124 an act repealing title 18 virgin islands code chapter 1 section 2 and enacting provisions to allow government employees seeking elected office to maintain their employment bill number 36 that's 0 1 2 5 an act amending title 3 Virgin Islands code chapter 25 and 27 relating to simultaneous payment of non legislative annuities to serving members of the legislature of the Virgin Islands bill number 36 that's 0 1 2 6 an act establishing a special committee to issue a request for proposal for the provision of a self-funded group health and dental insurance for government employees and retirees of the government of the Virgin Islands this concludes the reading of today's agenda mr. president thank you very much madam Clark we're going to take a very very brief recess the committee special session stands in recess for two minutes Thank you. Thank you.

1:00:22 we are back on the record madam clerk can you please come okay the governor's letter when I ask you to read it into into the record letter dated July 10th 2025 to the Honorable Milton E Potter president 36 legislature of virgin islands dare senate president potter in accordance with section 7 and 11 of the revised organic act of the virgin islands of 1954 as amended i hereby amend my previous call for the 36th legislature of the virgin islands to convene in special session by rescheduling the date from july 31st 2025 to august 1st for the purpose of considering the following enclosed proposed measures One, the bill establishes a special committee to issue a request for proposal, RFP, for the provision of a self-funded group health and dental insurance for government employees and retirees of the United States Virgin Islands, in response to the significant rise in premiums under the existing fully funded plan. 2. The Double Dipping Repeal Act of 2025 repeals 3. Virgin Islands Code, subsection 714G, 1 and 2, and 3. Virgin Islands Code, subsection 763G, which currently permit members of the legislature to receive a retirement annuity based on prior non-legislative government service while simultaneously receiving a legislative salary. Three, the bill repeals the current requirement in Title 18, Section 2 of the Virgin Island Code, that mandates government employees to take a leave of absence upon filling for public elective office. To end, I am calling a special session of the legislature on August 1st, 2025, to consider these proposed legislations. These measures are imperative. As stewards of the public trust, we have the fiduciary duty to ensure the financial resources of the government of the Virgin Islands are managed with prudence, foresight, and accountability. The current trajectory of rising health care costs, outdated statutory entitlements, and unnecessary barriers to public service demands that we take decisive legislative action. The people of the Virgin Islands expect and deserve a government that operates efficiently, transparently, and with fiscal integrity. We cannot continue to permit unsustainable spending, inequitable compensation practices, or administrative inefficiencies to persist at the expense of our constituents. These proposed measures change course for the status quo to align with sound fiscal policy and reinforce our collective accountability to the public we serve. As such, I urge the 36th Legislature to give these measures a serious and prompt consideration when you meet and deliberate during special session on August 1st, 2025. I will make members of my administration and advisory team available for testimony and clarifying assistance on that date. Sincerely, Albert Bryan Jr., Governor.

1:04:12 This concludes the reading of the Governor's correspondence, Mr. President. Thank you very much, Madam Clerk. Senator Vila, you're recognized for your point of personal privilege. Thank you, Mr. President, and good morning to the people of the Virgin Islands. In accordance with the Governor's call for a special section pursuant to Section 7A of the Revised Organic Act and based on Rule 502, where any matter specified in the Governor's call for a special session must be numbered, introduced, and assigned by the President to the committee with appropriate jurisdiction or to the floor for immediate consideration, We are considering three bills today, which is Bill number 36-0124, which is an act repealing

Title 18, Virgin Islands Code, Chapter 1, Section 2, and enacting provisions to allow government employees seeking elected office to maintain their employment.

1:05:12 Bill number 36-0125, an act amending Title 3, Virgin Islands Code, Chapter 25 and 27, relating to simultaneous payments of non-legislative annuities to serving members of the legislature of the Virgin Islands, and Bill Number 36-0126, an act establishing a special committee to issue a report for proposal for the provision of a self-funded group health and dental insurance for government employees and retirees of the government of the Virgin Islands. However, pursuant or in accordance with Rule 402, which clearly states that authorship or ownership of a bail request is on a first to file basis, bill number 36-0124 was preempted by BR 25-0326, whose sponsor is Senator Maurice James, and bill number 36-0125 was preempted by BR 25-0496, whose sponsor is Senator Alma Francis Heiliger. These two measures, once completed, will be vetted in the Committee of Jurisdiction. Hence, I'm asking that the two measures, Bill No. 36, the 0124, and Bill No. 36, the 0125, be voted on appropriately in this Committee and be removed from today's agenda.

1:06:36 I so move. Second. Second. Let me re-state. It was the point of personal privilege. So the point of personal privilege is the motion. Senator Vila, you recognize for your motion. Thank you. I am requesting that Bill number 36 at 0124 and Bill number 36 at 0125 be voted on appropriately to be removed from today's agenda. I so move. Second.

1:07:05 Second. Properly moved by Senator Viale, seconded by Senator Marvin Blyden, Senator Carla Joseph, Senator Alma Francis Heiliger, Senator Franklin Johnson, Senator Kenneth Gittins, Senator Ray Fonseca. Hearing no objections, so ordered. We will now have, yes, we will now ask Madam Clerk to call up each of the bills, Bill number 36-0124 and Bill number 36-0125, so that we can be voted, they can be voted on individually. bill number 36.0124 an act repealing title 18 virgin islands code chapter 1 section 2 and enacting provisions to allow government employees seeking elected office to maintain their employment madam clerk can we please have a roll call on the bill Senator Marvin A. Blyton?

1:08:17 Senator Blyton, yay. Senator Angel L. Bocas, Jr.? Senator Bocas, Jr., yay. Senator Dwayne M. DeGraff? Senator DeGraff, absent. Senator Ray Fonseca? Senator Fonseca, yay. Senator Novelli Francis, Jr.? Senator Francis, Jr., yay. Senator Alma Francis-Heiliger? Senator Francis Heiliger, yay Senator Hubert L. Frederick Senator Frederick, absent Senator Kenneth L. Gittins Senator Gittins, yay Senator Maurice C. James Senator James, yay Senator Franklin D. Johnson Senator Johnson, yay Senator Carla J. Joseph Senator Joseph, yay Senator Clifford A. Joseph Sr.

1:09:08 Senator Joseph Sr., yay Senator Avery L. Lewis. Senator Lewis, nay. Senator Milton E. Potter. Senator Potter. Yes. Senator Potter, yay. Senator Kurt A. Ville. Yes. Senator Ville, yay. Mr. President, 12 yays, 1 nay, 2 absent. Thank you very much, ladies and gentlemen. Just for clarification, the vote was to remove the bill, to vote the bill down because of the preemption rule. So the bill will be removed from the agenda, and since we have, the bills have been voted down. Consequently, they will be because two of my colleagues has authorship of the bills, they will be vetted, they will be assigned to the Committee of Jurisdiction and vetted through the committee process and voted on at that time okay so the bill the bill number 36-0124 just to be clear was voted down because of the preemption rules okay thank you madam clerk can you please call the next item bill number 36 that's 0 1 2 5 an act amending title 3 virgin islands code chapters 25 and 27 relating to simultaneous payment of non legislative annuities to serving members of the

1:11:01 legislature of the Virgin Islands roll call senator Marvin a blyton senator blight in yay senator angela buquez jr. senator buquez jr. yay senator duane m de graf senator de graf absent senator ray fonseca senator fonseca yay senator novelly francis jr. senator francis jr. yay senator alma francis heiliger senator francis heiliger yay senator hubert l Frederick, Senator Frederick, absent. Senator Kenneth L. Gittins, yes. Senator Gittins, yay. Senator Maurice C. James, yes. Senator James, yay. Senator Franklin D. Johnson, yes. Senator Johnson, yay. Senator Carla J. Joseph, yes. Senator Joseph, yay. Senator Clifford A. Joseph, senior senator joseph senior yay senator avery l lewis senator lewis yay senator milton e potter yes senator potter yay senator kurt avilly senator vla yay mr president 13 yays two absent thank you very much uh madam clerk colleagues Similarly, Bill Number 36-0125, an act amending Title III, Virgin Islands Code, Chapters 25 and 27 relating to simultaneous payment of non-legislative annuities to serving members of the legislature of the Virgin Islands, has received an unfavorable vote by this body.

1:12:54 It has been voted down because of the preemption rule. Colleagues, we will take a five-minute recess as we dissolve into committee of the whole to consider the final bill on the special session agenda, bill number 36-0126. Today stands in recess, session stands in recess for five minutes.

1:13:51 Thank you. Oh, my God. I'll be right back [3 such phrases repeated 14 times · standby audio before the proceeding, transcribed by the recogniser as speech]

1:20:51 Thank you. Thank you. Thank you. Thank you. Thank you. Thank you.

1:23:51 Thank you. Thank you. Thank you.

1:25:21 that was three colleagues we're back on the record we will now dissolve into committee of the whole we have now dissolved into committee of the whole to take testimony on bill number 36-0126. Madam Clerk, can you please read the bill? Bill number 36-0126, an act establishing a special committee to issue a request for proposal for the provision of a self-funded group health and dental insurance for government employees and retirees of the government of the Virgin Islands. Invited testifiers, Ms. Beverly Joseph, Chair, GESC Board. Kurt Gehring, President, CEO, Gehring Group. Christian Bernstein, Senior Benefits Consultant. Cindy Richardson, Director, Division of Personnel. Julio Reimer, Director, Office of Management and Budget. Honorable Kevin McCurdy, Commissioner, Department of Finance.

1:26:32 This concludes the reading of the invited testifiers, Mr. President. Thank you very much, Madam Clark. definitely like to welcome the invited testifiers who have taken their time to be here today for this very important meeting. We're gonna ask you to introduce yourself starting from my right which is Dr. Rosenberg. Just tell us your name and what you are associated with. For the organization you're Good morning. My name is Dr. George. Good morning. Good morning. My name is Dr. George Rosenberg, and I'm here representing VI EquiCare. Thank you, Dr. Rosenberg. Good morning. My name is Kurt Gehring. I'm the CEO of the Gehring Group. Great to be with you this morning. thank you mr gering good morning christian berkstrom vice president and senior consultant with the gering group thank you good morning julia reimer oh yeah good morning julia reimer morning julia reimer director of office of management budget yeah it's soft but thank you mr reimer good morning cindy richardson director of division of personnel good morning kevin good Good morning, Kevin McCarty, Commissioner of the Department of Finance.

1:28:01 John Abramson, Jr., of the Giants. Beverly Joseph, Chairperson for the GESC Health Insurance Board, Active Representative, District of St. Croix. Thank you very much. Welcome, testifiers. We're gonna start with, I don't know exactly who will be testifying, but the first person, So Emma, are you presenting Ms. Richardson? We have all three testimonies here.

1:28:32 Okay. You may proceed with your testimony. Good day, Senate President, members of the 36th Legislature, staff, colleagues, and the viewing and listening audience. I am Cindy Richardson, Director of the Division of Personnel. Thank you for the opportunity to testify in strong support of Bill 36-0126, an act to establish a special committee to issue a request for proposal RFP for the provision of a self-funded group health and dental insurance plan for government of the Virgin Islands employees and retirees. It is important to highlight that this bill does not mandate a shift to self-funding, nor does it prejudge the outcome. What it does is recognize that we are at a critical juncture where rising health costs, budget pressures, and the need for greater transparency require us to explore all responsible options to protect both the long-term sustainability of our group health plan the interests of our employees and retirees. Over the years the government has faced continuous increase in health insurance premiums, prescription drug costs, and administrative fees. Despite these rising expenses from 2019 to 2023 the GVI has consistently absorbed those rising costs without passing them on to the employees or retirees. While this commitment has been critical to maintaining access to care it is no longer sustainable and we cannot continue to do so indefinitely today the gvi pays a fixed monthly premium regardless of actual claims activity even if the claims are low that fixed monthly premium remains the same should the claims exceed what is expected the gvi faces increased premiums during the next contract contract renewal In contrast, a self-funded model allows the government to pay only for the claims actually incurred, providing more fiscal flexibility and aligning plan costs with real-world usage. Self-funding will provide savings in administrative costs and prescription drug rebates. It also enhances transparency, allowing for more targeted data-driven plan design decisions tailored to the needs of our employees and retirees. However, no transition should be made lightly. Our benefits consultant has identified key areas that must be addressed before any move to self-funding can be responsibly considered. considered ensuring predictable funding building sufficient reserves setting conservative claim projections and establishing strong fiduciary controls these are essential guardrails not afterthoughts that make the RFP a responsible and necessary first step it is important to acknowledge that the

1:31:50 Our current known market for variable carriers is limited. Blue Cross, Blue Shield's eligibility to do business in the territory in this manner is unclear. United Healthcare is also an option. Cigna, our current carrier, has expressed a willingness to continue serving under this new model. Some may question whether an RFP is necessary given this limited pool. However, we strongly believe that issuing an RFP is the best course of action for the following reasons. One, it ensures public confidence, transparency and competitive integrity in a defensible procurement process. It allows a side by side comparison of proposals regardless of the number of vendors. It protects the government from future criticism or legal exposure related to sole sourcing. It strengthens a government negotiating position by validating the market, and it sends a clear signal that the GVI is making this decision deliberately and with full accountability. We currently have a consultant on board that can guide the GVI through this process.

1:33:05 This bill simply authorizes us to gather the facts, evaluate options, and make an informed decision. Whether or not we ultimately pursue self-funding, The RFP process will provide us with critical data on pricing, stop loss coverage, administrative capabilities and transition logistics and information we need to weigh any future decision wisely. To support that evaluation, we are proposing a legislative funding stream to ensure premium payments are timely and consistent.

1:33:41 Currently agencies receive insurance allotments through their own budgets and reimburse the the Division of Personnel. This reimbursement model introduces delay and uncertainty. We recommend that insurance funds be transferred directly to the group-held insurance account, bypassing agency discretion and protecting employees from any disruption in coverage. For semi-autonomous agencies, quarterly remittance requirements could be included via statutory authority. With that said, I thank you all for considering our testimony today and we look forward to any questions you may have. Thank you very much, Director Richardson. Sir Remo, your next bottle up? Yes. You may proceed with your testimony, sir. Good day, Senator President Milton E. Potter, Chairman of the Committee of the Whole and esteemed members of the 36th Legislature. My name is Julio E. Reimer Sr. and I serve as the Director of the Office of Management and Budget, I appreciate the opportunity to appear before you today to provide testimony on a matter of critical importance to both government of the Virgin Islands and the broader Virgin Islands community.

1:34:55 Health and dental insurance coverage for government employees and retirees. Bill number 36-0126 proposed the establishment of a special committee to issue a request for proposal for the provision of self-funded group health insurance and dental insurance plans. This initiative represents a pivotal step towards addressing one of the most significant and escalating costs faced by our government. Let's discuss the current state of government insurance. At present, the government of Virginia operated under a fully funded insurance model. Under the structure, the government pays a fixed premiums to an insurance carrier, which assumes the financial risk of providing insurance.

1:35:36 While this model offers predictability for budgeting, it limits flexibility and offers no opportunity for cost savings. Additionally, it is subject to both federal and local regulatory constraints. As we explore the self-funded insurance options, there is contrast, a self-funded insurance model allows the employer to assume the financial risk of providing health benefits. Rather than pay fixed premiums, the government would pay claims as they arise. This model offers the potential for substantial cost savings, greater planned customization, and an improved control over healthcare expenditures. Employees could benefit from more tailored coverage options, and both the government and its workforce could realize a significant financial relief. The case for change.

1:36:27 Over the past six fiscal years, the cost of health insurance has risen dramatically from 154.4 million in fiscal year 2019 to an estimated 226 million in fiscal year 2026. This represents an average annual increase of about 8.95 million per year. Such a trajectory is unsustainable and demands strategic reassessment of our approach. By authorizing the issuance of the RFP, this legislation enables us to conduct a comprehensive analysis of the true cost of health insurance, and explore viable alternatives.

1:37:05 It is not a commitment to change, but a commitment to understanding our options and making informed decisions for the future. As we look ahead, we must balance fiscal responsibility with our duty to enhance the quality of life for our civil servants. Therefore, Bill 36.0126 provides a path to do just that. It initiates the necessary research and dialogue to potentially reduce one of our largest reoccurring expenses on our budget while preserving and possibly improving the benefits our employees and retirees rely on. Thank you for your time and consideration.

1:37:39 I welcome any questions you may have. Thank you very much, Director Reimer. Commissioner McCarty, you may proceed. Good day, Senate President Milton Potter, Vice President Gittins, and honorable members of the 36th Legislature. for the opportunity to speak before you today. I'm Kevin McCurdy, Commissioner of the Department of Finance and I'm here to address an issue of significant and growing concern, one that affects the financial well-being of our government, our workforce, and the thousands of families who rely on our health and dental insurance programs. The bill before you proposed establishing a special committee on government health insurance reform to issue a request for proposal to assess the feasibility of transitioning to a self-funded group health and dental insurance model for government employees and retirees in the United States Virgin Islands this initiative is not merely a political policy shift it is it is a timely and necessary response to the unrelenting rise in an insurance premium under our current fully funded structure over the past several years years premiums premium costs has continued to escalate driven by rising health care expenses and administrative fees imposed by insurance carriers these increases have placed a mountain burden on the government as an employer and more tangibly on our employees through higher payroll deductions to illustrate employees currently pay two hundred and forty two dollars and fourteen for family coverage, and $136.96 for individual coverage per pay period, except for months with three pay periods. With a projected 19% increase in premiums, and assuming equal cost sharing of this increase between employer and employee, these amounts would rise to approximately $265.14 for family

coverage and approximately $149.97 for individual coverage. If these increases materialize, they would impose a financial burden that many of our employees simply cannot afford.

1:40:02 Beyond the immediate impact on take-home pay, there is a deeper concern. Are we truly investing in healthcare or just in the cost of insurance? Over the past six years, the government of the Virgin Islands has paid more than $1.2 billion to Cigna, United Healthcare, Standard Insurance Corporation, and the Life Insurance Corporation of America. Yet our healthcare outcomes and infrastructure do not reflect that level of investment. This is why we must seriously consider a self-funded insurance model, a framework that allows the government to directly assume the risk and responsibility for paying healthcare claims while retaining greater control over planned design provider networks and cost management it is a shift towards sustainability transparency and proactive oversight this is not a decision to be made lightly a move to self-funding must be supported by robust data actuarial modeling and risk assessment it requires a thoughtful planning it requires thoughtful planning and a strong administrative foundation More importantly, this is an opportunity to realign our priorities, putting care over coverage and people before premium. Ensuring the health and financial security of our employees is not just a fiscal responsibility, it is a moral imperative. In closing, I am strongly in support of the intent of the bill, which seeks to gather information and expertise necessary to make a well-informed decision about the future of our public health benefits.

1:41:39 I urge your support in establishing a special committee on government health insurance reform to move forward with this evaluation process. Thank you for your time, your service, and your continued commitment to the people of the Virgin Islands. I'm available to answer questions that you may have. Thank you very much, Commissioner McCurdy. Lovely Joseph.

1:42:05 Good day. Madam Chair, can you proceed with your testimony? good day members of the 36th legislature of the virgin islands members of the committee of the whole and a listening audience i am beverly joseph chairperson of the gesc health insurance board of trustees and elected representative on behalf of the active employees in st croix today on behalf of the board i would like to present our strategic assessment of self-funded health insurance in a public sector the opportunities the risk and the workforce implications i would like to thank the members of the legislature for the opportunity to be appear before you the honorable governor albert brian jr and my fellow board members co-chairperson dr gilbert commission elected active representative saint thomas saint john laurie anderson secretary and elected retiree Representative St. Thomas St. John. John Abramson Jr. Appointed Member St. Croix. Lorraine Gums Morton, Appointed Member St. Thomas St. John. Deborah Christopher, Elected Retiree Representative St. Croix. Dr. Keisha Christian, Appointed Member St. Croix. And Andre T. Dorsey, Appointed Member St. Thomas St. John. I would like to also thank our advisory members, the division of personnel, including the director the chief of group health insurance the council to the board our consultant and the gearing group amid rising health care costs and budgetary pressures government employers from municipal agencies to state departments are re-evaluating their methods of providing medical coverage to public servants self-funded health insurance has emerged as a viable alternative to traditional fully insured models offering budget flexibility and operational autonomy under this model the government entity pays employer health care claims directly assuming the financial risk rather than transferring it to an insurance carrier. While this arrangement can deliver cost efficiencies and data-driven control, it introduces significant risk and demands a level of fiscal stewardship and administrative sophistication that is not all agencies may

1:44:43 be equipped to manage. This presentation will provide a comprehensive examination of self-funded health insurance in the public sector with emphasis on its disadvantages and implications of workforce health security. One of the central appeals of self-funding health care is its potential to reduce overall spending on employee health benefits. By eliminating insurer profit margins, public entities can redirect those funds toward direct claim payments and reserve building. For agencies with large predictable employee populations, self-funding offers the ability to harness economics of scale, minimizing administrative overhead from carriers and avoid paying for unused risk. Self-funded plans also allow for nuances customized. Public employers can design benefits that reflect the unique needs of their workforce, union agreements and regional health patterns. Additionally, access to granular claims data allows employers to monitor utilization, identify chronic condition trends, and adjust preventive care offerings in real time. This level of control is typically absent in a fully insured plan, Their benefit designs are standardized across broad population and data is siloed within the insurer's domain.

1:46:25 Despite these advantages of the self-funded model presents complex administrative and legal burdens, government agencies must coordinate with a third-party administrator, TPA, to Adjudicate claims, manage benefits, and ensure compliance with federal mandates such as ERISA, HIPAA, COBRA, and the Affordable Care Act. Unlike private sector employees, public entities often face additional scrutiny from taxpayers, audit boards, and oversight committees. These bodies require robust reporting and justification for any funding arrangements that could compromise service delivery or

workforce protection. Managing a self-funded plan demands expertise in actual forecasting, reserve modeling, and legal compliance capabilities that many government personnel and finance departments lack in-house. As such, agencies must budget not just for claims, but also for the administrative costs of hiring external consultants, legal advisors, and analytics platform. These indirect costs may undermine undetermined the savings and model is intended to provide. Moreover, transitioning from a fully insured to a self-funded model is not seamless. It requires technical system changes, re-education of benefits, finance staff, and proactive employee communication. Any missteps in the rollout can lead to service disruptions, confusion, about coverage, and erosion of trust. All factors that have long-term consequences in public employment ecosystem. The most significant drawback of self-funding is the direct exposure to health care claims vulnerability. Unlike fully insured plans that offer fixed premiums and guaranteed coverage, self-funded models rely on accurate projection of medical utilization in an inheritable unsustainable metric here in the territory. Unexpected health events such as

1:48:54 cancer diagnosis, premature death, increase in chronic disease or epidemics can result in claim spikes that overwhelm budgets. Although stop loss insurance is commonly used to cap individual or aggregate claims liability, it comes at a cost and may include waiting periods or exclusions that leave agencies exposed. The timing of claim payments can also be unpredictable. Government employers often operate on a fiscal calendar tied to legislative appropriations, system not built for absorbing spontaneous multi-million dollar claims. For example, an employer that miscalculates its risks, exposure could find itself unable to meet monthly claims obligations. This scenario might require the employer to seek emergency funding, divert capital from other programs or reducing staffing, all of which carry political and legal ramifications and require immediate resolution. Such instability is less likely under a fully insured model, where premiums are locked in for a term and carriers absorb the actuarial risk. The impact of unpaid claims reverberates most painfully among the employees themselves. Public service servants rely on their health benefits, not only for medical care, but as a signal of stability and institutional commitment. When claims go unpaid due to cash flow shortfalls, administrative delays or stop-loss gaps, employees may be denied service by providers, forced to pay bills out of pocket, or compelled to delay needed care. These disruptions are more than transactional. They are personal and could become tragic, thus influencing perceptions of organizational trust. In practical terms,

1:51:11 A government employee could receive a bill for a specialist visit or procedure they believe was covered. Without a timely resolution from the TPA or benefits office, they may resort to credit cards, skipping a follow-up care, or reduce medication adherence, all of which are linked to worsening health outcomes. The mental and emotional stress caused by coverage uncertainty can be significant, especially amongst those with chronic conditions or dependent family members. For unionized workforce, such failures can trigger grievances, calls for contract, renegotiation, and workforce action. The reputational damage to these agencies may extend into the media, policymaker forums, and voter referendum.

1:52:06 The responsibility implements of self-funding model, government employers must build a strategic risk management infrastructure. This includes comprehensive stop-loss coverage, tailored policies that protect both the individual high-cost case and aggregate claim surges, robust reserve funding, financial buffers calibrated to historical claims, health inflation trends, and worst case scenarios. Experienced TPAs and actuaries, partners who can accurate the process, claims and model future risks with transparency. Multi-year planning protocols, forecasting tools and legislative engagement to align healthcare funding with budget cycles. Employee communication plans, clear channels for educating employees about coverage, troubleshooting claims, and reporting problems. These safeguards are essential, not just for financial sustainability, but for maintaining employee morale and organizational integrity. Self-funded medical insurance plans offer government agencies potential to control costs and customized benefits. However, the risk financially, unpredictability, administrative complexity, and employee vulnerability are profound. Without the right expertise, infrastructure, and contingency planning, these plans can jeopardize not just fiscal health, but the well-being of the public workforce and the reputation of the government body itself. For many public entities, particularly those with limited financial flexibility fully insured models may remain the preferred path where self-funding is pursued it must be done with a deep understanding of the legal human and operational stakes and with the unwavering commitment to protect both the public purse

1:54:19 along with the public servant and family therefore in terms of government's medical plan which is fully insured by Cigna under a participating contract whereas in the past we are used a surplus to offset increase when the plan performs well however we are currently in a 32 million deficit that Cigna is a hundred percent responsible for due to the claims cost increasing over 29 percent in the past three years under the fully insured model we do not have to pay for the claims that exceed our premium that is the insurance company's obligation but under self-funding insurance model we will need a fallback strategy to pay the claims and would have to absorb these excess claims cost or risk loss of coverage during this year's renewal negotiation the board tasks our consultant Gearing Brook with analyzing a self-funding model based upon our existing plan benefits and recent claims experience and comparing it to the fully insured renewal would generate

approximately 2.5 percent in savings which is approximately 4.3 million The fully insured renewal as is with no plan changes is a 19.5 guaranteed increase and self-insured plan is a recommended 17% increase and that is not guaranteed. I have included the comparison in Exhibit A for further review. Also included in Exhibit B is a white paper showcasing the advantages and disadvantages of fully insured. We implore the legislature to use caution when making any consideration for self-funding

1:56:20 in the future, and I welcome any questions. Thank you. thank you very much we have any other testifiers with formal testimonies okay so I think that concludes our testimony thank you very much as the players appreciate that. Senator Gettinji, you recognize your point of information? Thank you, Mr. Chair, and good morning to all. I just wanted to get a little clarity here before we get into the discussion fully. Director of personnel, Well, you are an advisory member of the ESC board, correct? Correct. So, I'm seeing here in the ending part of your testimony that we're not asking to commit to self-funding. You're asking for the tools to assess its viability, and then you concluded that we must start with data, not assumptions, and that begins with this RFP. And I'm looking at the bill 0126 here, and in the last whereas class, it's actually saying that the GSC is the entity charged with overseeing the administration and procurement of health benefits for government personnel and retirees, and that it has failed to issue a request for proposal. So you being on the advisory committee, I'm just trying to get some clarity. whether or not your office provided the support to the GSC board to ensure that they follow through with their fiduciary legal and fiduciary responsibility to issue a timely RFP.

1:58:22 So that wouldn't come through the Division of Personnel? No, but I'm saying you're a member. I am. I'm just an advisory ex officio member on the board. So at any point, I'm asking, especially since you're defending the administration's position on this, I'm asking whether or not you all, that you as a member there, were you able to ensure that the board meets this legal and fiduciary responsibility? I'm not in the position to be able to do that.

1:58:59 However, in the time that I've been there, there has been no discussion about them issuing a RFP to go this route. Thank you. Thank you, Mr. Chair. Thank you very much, Senator Giddens. But just kind of piggybacking off of what the Vice President just addressed. It's clear that the GSC Health Insurance Board was developed by statute specifically to do what the governor is asking for this other committee to do. Is that correct, Director Richardson?

1:59:39 Yes, that is correct to a certain extent, right? And I'm just going to say that if this section six that's in the bill that's asking for them to not have a role in this, there has to be a reason. And I do feel that it is because of certain biases that it may be felt that the board has, and the fact that this board has been presented numerous times the option to look at self-funding, the fact that it's also part of the consultant who they have negotiated with that advises them that they too should present some cost-saving measures to the board, and I feel that this takes it to another step.

2:00:23 I do feel that there may be a little bit of conflict interest as well and the separation needs to be there and I feel that's why section 6 was included in this bill so that a separate committee can be formed to go and get the information that's needed and then present it back to them it's not eliminating them fully it's just for this RFP process for a separate committee to go out and get the information that's needed and bring it back and it shouldn't just be brought back to the GSC I feel it needs to be presented to all branches so that informed information and decisions can be made moving forward okay I mean it just seems to me like I just a totally unprecedented move that's statutorily the entity designed to do one of the fundamental reasons the the board exists is to do that so it's it's just a little off kiltering to me that we would essentially be eliminating one of the fundamental reasons the committee the board was created to now shift on top of that ship and create an independent entity to do what the GS the health insurance board was charged to do so you have subject matter experts who are on on the board persons who have the background and expertise who've been doing this for a while we also have a health insurance consultant who provide additional support so it seems to me like you're saying the governor is in disagreement with the posture of the board so this is now a way around to achieve the ends that the governor may be seeking. And I'm not opposed, don't get me wrong, I'm not opposed at all for exploring self-insurance, self-funded insurance.

2:02:27 I think it is a responsible thing to do. But I think that the entity that is tasked with doing it, they should be the entity in the driver's seat, especially when the majority of the persons who are on the board or appointed by the governor of the Virgin Islands or elected by the affected people. So we're saying we're going to go around that and appoint an independent board to make these decisions.

2:03:01 That is what is a little troubling, Director Richardson. So I hear everything that you're saying, but again, I do feel that there's a certain bias. I do feel that there's conflict of interest. Also, too, I want to talk a little bit about the VI code as it pertains to the GSE board and the health insurance board. It is antiquated and it needs to be updated and looked at as far as their authority is concerned. If you look at some of the responsibilities that are stated in that code as to what the GSE is supposed to be doing, some of that is taken on by the division of personnel already. So again, I just feel that it's not a matter of eliminating them. I just feel for this process to actually put out the RFP, to take it further than they probably

have taken it in the past. It's to put out an RFP so that we have the information that we need, what it takes to take it to that next step, to explore, get all the information, even to what happens after. How do you transition? This body has always complained that the board takes a long time to come and bring the information to them. They come at the end of the budget cycle and we're put between a rock and a hard place and rightfully so They're doing that for the reason because they're using the information the experience rating To make the best decision and I don't I don't wrong them for that But we're all we're always here at the last minute so by doing this now It gives us that full year to take that information that the RFP will provide in order for us to make a decision we're not making a decision here today to go self-funded but we will have the information and you will have that time come October 1 2025 they already voted on the changes that's gonna happen you know we have to now sit down and explain that to the public you know it's still fully funded but there's a lot of changes that's coming so we've already made that so it's just a matter of getting the information and putting that

2:04:59 RFP out and then let them take that information I think it also should be not just the board with that type of information let it be a full-on review and decision-making process thank you thank you director Richardson and you're not gonna be there this isn't the last time you're gonna have an opportunity to speak for sure put information and then I'm gonna allow I think director Joseph wanted to make a comment or John Abramson right you recognize Senator Johnson thank you thank you very much mr. chair good morning to all you just good afternoon already well you just said that there might be a conflict of interest can you explain what conflict of interest you see in the boards or the decision I feel and you know it's it's you know I am a member of the board but I am also here as an employee I'm here as director of personnel I'm here as a member of the financial team I feel that they are too close to the carriers and I'll just leave it as that that's that that what that's what you're saying is a conflict of interest correct are you close to your colleagues that that's not the same all right thank you thank you Senator Johnson Senator Francis, you're recognized for your point of information.

2:06:22 Thank you very much, Mr. Chair. I just wanted to go back to Director Richardson. For clarity purposes, is it your testimony, or can you validate whether or not there have been some directive mandate from the administration, from U.S. Division of Personnel, or the Governor in respect to the GSC exploring the potential of self-funding insurance? Not that I'm aware of.

2:06:48 They have not been in any directive? Not that I'm aware of. So why is there an expectation that they would have done it, or are we, again, now making a predetermination whether or not they will pursue this without any mandates? Again, my question really is, have they been given a chance to explore this opportunity? Again, I do not have an answer for that. I just feel that there may be certain biases that may have been expressed to him that he feels that the elimination of the board from this process is needed.

2:07:29 Thank you. Thank you, Mr. Chair. Thank you very much, Senator Francis. Callies, remember we still have a round to go, you know, so everybody have a chance to have their time so I don't want to get too bogged down with the points of information but so okay we're gonna do this we're gonna miss Joseph to make a response and then send it really I'll get to your point of information and then Senator Blyden and Senator Fonseca. Ms. Joseph. Good afternoon. I would just like to make a clarity on the statement made by Director Richardson. Number one, it is in the VI code section 3, title 3, section 25633. It is the responsibility of the board if we want to go to RFP if we need to. It is approved by the governor and this body. It has not come to the board to do that. For Director Richardson to make the statement that it's a conflict of interest, if anyone is gonna be a conflict of interest, it's gonna be the director. She's a member on the plan. She's a director of personnel that administrates the plan. She's an advisory member to the governor. She sits in every meeting that we have, including our executive session, and she hears the data. For her to say that we don't get the data, the data is presented and sent to her office before our board meeting she has it when the cap report is given breaking down what is driving this cost of this plan the director has it so for her to say to it's a conflict of interest we sit with the carriers all the carriers are we at war with the carriers no we sit with them with our consultant and we ask how can we cut costs because we hear director of OMB

2:09:26 director of finance are also advisory members if you look at the code are they coming no do they send a representative no so how can you come and say the board is not doing we listen when we hear when we come and ask to meet with a governor he does just as how we come and we ask to meet with this body and say the cost is driving why is the cost driving because you have sick employees and and dependence on the plan. The cost is not rising because the carriers are saying, we want more money. It's your claims experience is showing the cost of your membership that is sick. In January when Cigna reported to the board and the director was there, they told us that our cancer rate has gone through the roof. You gotta pay the treatment, you gotta pay the medications. We are making costs. Yes, your GPL ones are driving. That's your diabetes and people are using it for weight loss.

2:10:31 But you have 12 members, the director stated on Wednesday that it's 12 members driving, no. You have 12 members that are over 2 million, not 500,000, $2 million. But you still have 234, 37, Christian, correct me, that's driving this plan

higher in costs. That is what you gotta look at. The board is not saying no to self-funding. We're just asking, can you sustain it? Are you willing to take the risk? And I am just asking each 15 senator or 14 in here, you're my members on this plan. If you want to go to self-funding, you're saying you're assuming the risk. So like the director said eloquently, she's a member. If you can sleep at night saying yes, we can do it and you don't have the money and the claims don't get paid and people don't go to the doctor, if you could sleep saying that, then we're fine. We don't need to be here. But I am just saying, we have looked, in a matter of speaking, Cigna reported in June, and the director was there, the chief legal counsel for the governor was there, your Senator Potter, your chief of staff was there, when Cigna presented the pros and the cons, self-funded versus fully assured. Even if they were not the carrier, anyone coming, these are the mechanisms that need to be in place this is how we have to move forward how can it be said that the board is not looking at it we have but the driving cost is funding thank you thank you miss joseph senator viola you're recognized for your point of information thank you thank you mr chair i know that the board has a consultant which is a gering group But in your testimony, Ms. Richardson, in the last bullet, you said we currently have a consultant on board that can guide the GVI through the process. Is that a consultant outside of the government-hired consultant, and is that consultant being paid?

2:12:35 That comment was in reference to the Gehring Group, and they are being paid. comment was to the garrion group that we have a consultant that can guide the gvi tutor process yes the garrion group can do so i'm we asked them specifically in the board meeting and they did reply yes that they have done it with other companies okay thank you thank you very much senator fonseca you're recognized for your point of information yes thank you mr chair um director Richardson do you have a vote on the board matters I'm a ex officio member so I do not have a vote nor do I receive minutes or any information only the agenda for the me for the meeting okay so you don't have a vote so the group health insurance includes medical dental vision and also life insurance we're saying that the proposal is is to go self-insurance for all of those and also the rate right now is employees at 27% the GVI is 73% do you see us change in that rate and what rate do you plan to go to so that is the that is the current split right now and I can't project that until you know with more until we have more information you know we were at that 35 65 with long time ago but again I don't I wouldn't know that until we have the information that we're seeking thank you mr. J Santa Blyton you proceed with your point of information thank you so much mr. chair I'm colleagues I find it interesting right that the administration send down the fiscal people to talk about the dollars and cents of self-insurance but

2:14:33 no one to talk about the quality and availability of health care for our government employees and our retirement and i find that to be very strange and glaring i just want to put it on the record thank you so much mr chair thank you senator blighton colleagues will now proceed with our five minute round we're going to start with you senator alma francis heiliger you may proceed with your five minutes thank you good afternoon good day to my colleagues good day to the people of the territory good day to the testifiers and our staff i just want to put on the record that i think today's a waste of government funds and that is my honest opinion because to be called into a special session for two bills that were already preempted as well as a bill that it already has in the code that a whole board has the authority to do because what i'm hearing here today is that basically the governor of the virgin islands doesn't like what the board is doing so So his idea is to create a separate committee to go around the board. That's all I'm hearing. And if we have gotten to the point that you're coming to me as a senator to circumvent the law, we have a problem. Because if this was a serious concern and the board is sitting here and saying that they've already done quite a bit of the assessments y'all are saying that we need to create this committee for. And I'm sitting here, I don't know if to be offended or even think that something is clearly wrong here. The behavior of what I am seeing happening

2:16:25 in this government is getting to the point that it's scary, period, point blank. You have bill number, we have to vote 36124, that is to, which one was that one? The one they called for double dipping, right? Our governor went and told the public that this is a major issue, blah, blah, blah, and the senators ain't doing nothing about it, but Alma Francis Heiliger having the bill. I'm confused as to why would you tell the public those things, and it's not factual. You did another press conference notifying the public that the legislature ain't doing nothing and it's an issue they want to take advantage when it come to election and they need to open it to all employees. But did the governor ever bother to check that in 2001 in Act 6488 that the legislature did open up the entire thing to the Virgin Islands and every single employee could have run for office and still work, did he bother to check with all the lawyers he have under him? Did he bother to check that in 2002 that a family took the same law to court? And the ruling of the court was, the fact of the matter is that the Hatch Act has to supersede any laws that are in the Virgin Islands.

2:17:56 And when they realized that not only would the Hatch Act have to apply to employees that are receiving federal monies, but even those that are working in local agencies that had received federal monies. So in 2003, after the court ruled that, The legislature put it back in Act 6634. So for him to go tell the public a blatant lie like that, I don't know what to see.

2:18:30 This was not an emergency. This was an individual that was upset that this legislature took away his $50,000 raise and he was looking for stuff to throw back at us. and instead of you allowing us to do our jobs you drag us in here when we as a body can't do nothing we can't do over one minute 30 seconds we can't do committee reports we can't vote on regular bills because he decided is a special session and the only thing we could discuss is three bills two of them bills two senators that got elected to do their job are really done working on a third bill is basically to say you who is legally responsible the board who have the legal right to do something I don't like you ain't doing what I want so I will send on a bill to go around you and then think you won't put all mine that kind of madness not me not me so I am not wasting anymore my time with i don't even have no question where are you because i clearly understand what happened in here today i don't deal in pettiness the people them elect me to do their work and i was doing their work i didn't understand that the governor is the 16th senator of this legislature i know nothing about that i don't know nothing about that and my argument is let we are three separate branches of government the legislative executive and judicial we are all elected to do our rules the people in this legislature is doing their jobs we're doing it i don't need the governor to stop focusing on his to come drag me in here to tell me to do something i already doing time quick wrap up please and i'm going to say at the end of this here please i'm going to ask the governor of the virgin islands focus on your job that's all i'm going to ask you because maybe just

2:20:42 maybe if you were focusing on what you were elected to do the roads in this territory would be better the fact that you even put out that you telling us that we need to call in unions to come in here to discuss about double dipping how many unions that the executive branch have yet to gone back to bargain with how many of them why are you not focusing on your job for thousands of employees but you want we to bring in a union for nine people thank you senator thank you i have a lot more to say but i'm going to be fair today but thank you very much for the time thank you very much senator francis heiliger senator franklin d johnson you recognize for your five minutes thank you very much mr chair didn't come here today to be moved by emotion at all but after hearing this Beverly Joseph spoke it made me move by emotion and that's what I step on and I say this because this entire week just continue hearing of persons in the Virgin Islands that's dying from cancer every day I lost my son mother earlier this week. I saw her about the 29th of May and she was doing well.

2:22:24 And one day she woke up feeling a little bad and she got on a plane and she went to the stage to do a checkup. She didn't come back home. She had a very rare, rare cancer. cancer is just plummeting all over this territory and we are talking about trying to save a dollar and lose lives where is the value on our people lives where do we put a price on our people lives some folks can't do without this insurance and can't assess and make these decisions and find out what is in best interest of them and today we come in here we're saying that this is going to save us money how many lives are we going to lose in saving this dollar how many lives I had a scared myself with cancer been blessed that I caught it on time it was prostate cancer and I continued to preach to the men them to go want to do your examination. Go and do it. Don't wait until it's too late because if you do it on time, you can be sitting here just like me living a regular life. But we need to be serious. And I personally believe that the governor already have someone for this job that he wanted to give it to. That's my belief. And I'm going to go on the record.

2:23:58 my mom is alive I love my mom dearly and I'll swear on my mom in a conversation me and the governor had yesterday these issues that he brought here you know he said in November I don't find out if people gonna do it are you you know I said to he I don't make decision based on elections the people elected me and if they decide tomorrow that they don't want Frankie Johnson, I am okay. I might look a little young, but I got some numbers under the belt. Trust me, I got some numbers. And I'm not going to come in here and make decisions hasty and wasely to put none of my people's life in jeopardy for not having insurance. I want to ask the government something. Any one of you guys from the government team, Is the government up to date on the payment to Cigna as we speak here today? Just somebody tell me that, Kevin.

2:25:00 Yes, we've... Good afternoon, Senator. We've made our last payment. One minute, 30 seconds. For June, sorry. You made your last payment? June's payment, this week our last. 16.8 million. June payment? Yes, we have a... And what month we're in? We have a... What month are we in? We have... What month are we in? We're in July. August, right? We're in August. So that means you haven't paid July yet, right? So if you have self-insurance and you didn't pay July and someone get on a plane to travel, what can be the ramification? Help me. You said none? Would you say none?

2:25:37 If you miss your payments, and haven't there been time that this government been three months behind on paying Cigna? Somebody answer that question for me. Yes. What is the question? Haven't there been times where this government have been three months late in paying Cigna its financial obligations? I can't speak to that. That hasn't happened since I've been there. What I do know is we do have a premium deferral with Cigna. 30 seconds. So right now, for 60 days, as our account is concerned, we are current. So you have a, say that again, repeat it again. We have a 60-day deferral premium payment.

2:26:15 What will you have with a self-insurer? We don't know, and that's what we're asking for. We don't know. No, we don't. No? Well, I think I know, and I's a layman in this business right now when it comes to insurance. And if you ain't pay, you don't have no coverage. Senator, let me respond. Help me out. When it comes to self-insurance, you have a pool. You put money in a pool of funds. And when the funds sit there, they draw against those funds. There's ebbs and flows as you go along.

2:26:43 How much money do you have to put in the pool right now? Time. I won't know unless we go through this process, sir. What's the cost for insurance as we speak right now for this government? 16.7 million a month. Do you have 16.7 million sitting right now to do this for every month and have a next 16 for next month? Yes. You have that? Not the 100 million that this legislature stopped you off and doing what you want with it. Don't count the 100 million dollars. Currently, yes. Currently, we set aside funds on a weekly basis the same way a self-insurance fund would work to actually pay the actual insurance policy every 16.7 every month. My last question how many how many cash the government have on hand? Right now we have 14 days of cash on hand which equates to about 57 million dollars and that's include payday at the cost what's the cost of a payday? Payroll is about 25 million dollars i have no further question for you all which includes uh i'm good i'm good i have a lot of other senators with a lot of questions but i'm saying to you i didn't come here to get my emotion rock like this but what miss joseph said took me back and every day for this week every other day somebody in the virgin islands lost their life from cancer and every single one of you all sit in their last families from cancer it's not getting better thank you very much mr mr chair thank you senator franklin d johnson so dr rymer if you're there or commissioner mccordy the arrangement that we have now with cigna if you're 60 days behind you're on time basically that was the that is I guess we were able to negotiate that with Sigma your 60 days late you're really on time you have 60 days it's part of a

2:28:41 contract here okay okay I don't think I'm seeing you but the board negotiated that the board that's right the GSE health insurance board was the entity that negotiated that correct I got you got you and I don't want to the fact that I think Commissioner McCord you mentioned that we have I think you said like 14 days yes cash and hand but I know the obligations of the government of the Virgin Islands are significant, but we still have outstanding vendor payments, substantial outstanding vendor payments to pay, right? So it's not as though we have that sitting pool of funds and we have the luxury of saying we can use this for that.

2:29:37 Thank you very much. Senator Angabulquez, Jr., you're recognized for your five minutes. Thank you, Mr. Chair. Good morning. Good afternoon, Mr. Chair. Good afternoon, colleagues. Good afternoon to the listening and viewing audience and good afternoon to central staff and of course the testifying panel here before us concerning the government insurance bill. And Mr. Chair and colleagues, you know, the rising health care costs obviously demand careful and thoughtful reforms and consideration. And while this bill has some substantial fiscal risks and administrative complexities, it's important to note that if claims exceed the projections even with a stop-loss coverage the government bears the financial burden and that's sort of the echo of the sentiments of the previous colleagues and I feel that that is part of the hardest decision to make in this case we know that we have fiscal challenges and absorbing them to this magnitude may cause or disrupt other areas of our operations as a government. Fully insured plans come with a guaranteed premium. Self-funded plans do not, meaning costs could spike unexpectedly due to some increasing claims or the rising healthcare prices, whether that's prescription drugs or services and so forth. And the self-funding requirements or well the self-funding requires the government to have millions of dollars in liquidity, perhaps even weekly, to pay out the claims on

2:31:23 time. So if these funds are delayed or short, claims won't be paid, leading to service disruptions and reputational damage. So have we considered also how this would affect our unions the representatives of the unions or those smaller entities semi-autonomous agencies I don't believe they'll be able to absorb any of that nine percent I believe nine percent is the number is that correct I think the projected increase right now is will equate to about nine percent nine point five okay and I have this question to ask what legal liabilities could the government face if we're unable to fulfill these obligations under the self-funded plan, per se, that we were to implement such a self-funded plan, especially in cases involving that same delay in payment or denied care.

2:32:27 Kurt Gehring. Kurt Gehring, CEO of Gehring Group. The biggest issue is if you don't have the money in the bank account, it's kind of like having your bank account, there's no payment. So there's a contractual TPA obligation to the doctor that says that this third party is going to pay them. So there's a lot of different parties involved that it affects, more importantly, is just the confidence in the plan.

2:32:57 So would there be some legal liability? All over the place. All over the place. So that's a yes? Yes. Okay, very well noted. the government assessed the total cost of transitioning systems retraining staff or hiring consultants necessary for for administering such a self-funded plan have we assessed what to what magnitude we would have to invest for that type of training or or um transitioning our systems over to such a plan that's that's what we're trying to do or to find out given the

rfp If we put it out, that's the type of information we'll be getting back.

2:33:38 Okay, it would have been good to know some sort of indication as to what we were sort of looking at. One minute. But before my time runs out, I want to say that the bill before us has some issues. In my opinion, it's usurping the authority of the board by taking them out of the equation. There were some other issues in the bill concerning the structure in reference to, what was it again? 30 seconds.

2:34:16 The implementation and oversight. To what magnitude, to what extent would the board be involved in this if this bill were to pass? They would have zero input on liability towards this and this would just go over to the established committee? Is that what I'm understanding and perhaps the board chair can respond. Based on the reading of it, yes, because you will not be using the board. It will be requesting that the legislature dismantle GSE and they would find and have their own board that would have the oversight manage the plan.

2:34:59 And Mr. Chair, if I may proceed, and on your board you have individuals who are well-versed in this matter who have accreditations or understand, and now we're asking to create a whole different board of individuals that may not have that same expertise. Correct. So the GESC Health Insurance Board is a fiduciary board. We go, we get our certification, we get certified. attend annually the IFEBP which gives us even GRS attends that same form because they have it for the retirement benefits. Okay and nowhere in the bill does it say that they are required to have what you just said. Thank you for the time Mr. Chair. Thank you very much Senator Boquez. You recognized for your point of information Senator Vele. Thank you Mr. Chair. I'm listening to the line of question and I'm becoming more and more confused with the question that I asked first. My question was, your bullet said we currently have a consultant on board that can guide the GVI through the process. I asked who's the consultant, you said the Gering group.

2:36:11 The Gering group works on behalf of the GSC board, correct? Yes, that's our consultant. So your statement is that you have a consultant on board that could guide you through the process, that consultant works with the board, but then this legislation saying, Let's get rid of the board and create an independent entity to have the ability, and I'll read the last part, shall not have any role, notwithstanding any last section six, the Government Employees Service Commission shall not have any role in a development issuance review or evaluation of the RFP or in the implementation of any contracts resulting from this act.

2:36:58 But you said that the board, the consultant, is the Gering group and the Gering works in the board. So why do you want to get rid of the board if you're going to use the same consultant? Cindy Richardson, director of personnel. My reading of this does not indicate to get rid of the board. It talks, I'm understanding it to exclude them from their involvement in putting out the RFP. The information would then come back and then they would take that information along with their consultant to then provide the guidance that if we were to go self-funded, this is how we would be done.

2:37:40 That is how I'm reading it and the consultant- I'm reading the exact language you say. So shall not have any role in the development, issuance review or evaluation of the rfp so they have nothing to do with the rfp what is the rationale as to why the board would have nothing whatsoever to do with the rfp and now you're going to create an ex-independent group of individuals to look at that particular rfp or deal with the issuance and everything else i'm just not getting it so i understand why you're reading section six and and that's about the involvement in the RFP process. But when you read section five, it then takes that information from the RFP and it gives it back to the GSE to then use that information to follow the next steps, to create the steps forward. That's how I'm reading it. No, I'm not getting that interpretation. Thank you, Mr. Chair. Thank you, Senator Ville. I wanted to ask the government's team To just opine or weigh in on this, the governor has indicated that going self-funded could potentially save the government. The last figure that I heard, it was between $25 and $30 million. dollars so I'm trying to understand if you're familiar with the analysis that was done to the determine to arrive at that figure as a potential savings amount if we were to transition from a fully funded plan to a self-funded plan are Are those numbers based on any specific data, or are those...

2:39:35 Currently, in terms of the data, it's just preliminary, Senator. But, of course, when you go basically self-funded, there's opportunities there on the pharmaceutical side that, here it is, the insurance companies benefit for. So there's things that they get refunds, they get rebates, et cetera, in excessive probably $10 to $15 million a year. That's a savings right there, number one. Number two, when it comes to self-funded policies, you guys can understand. You do things such as you tear types of coverage. Like for example, if I'm 21 years old, I can actually have a silver plan because I don't have the risk of having many different types of illnesses, et cetera. But if I'm at the higher end of age in terms of I'm 60, I'm probably gonna have the platinum plan because of course it puts me in a place where I need more coverage. So with these kind of self-insurances, customized to the individuals versus having one standard plan across the board where you see as the board said it's driven by 237 individuals versus the entire thousands of employees that are covered so that's what we're looking at to see well what does this RFP put out what's the data is gonna come back and it puts us in a place that we say well here it is I think self-funded might be better versus fully funded it might come back that fully funded is better and we

go from there okay I I I always say I think the I don't think there is any question that the potential to derive savings is there if you were to move to us self-funded plant my question was just it seems very just arbitrary the numbers that were just put out there that 25 to 30 million dollars with no real analytics with no

2:41:25 real data and that is it has a way of of i guess skewing the whole conversation because you know instinctively you just said 25 30 million dollars wow but those numbers aren't really based on any real life data that was that was really my point uh uh director reimer okay i'm going to blight enforce and then you uh senator johnson senator blyton you recognize your point of information thank you so much mr chair and i'm going to piggyback on our omd director statement he is correcting about at the same time we are realized we have an aging community and a self-plan can be sustained if there's a bunch of young people um in the plan but we have most mostly our community are aging community so it is glaring um what the choices are in terms of coverage because we are an aging community and we don't have much young people on the plan that's the problem that's the main problem and And that's why when it comes to prescription and stuff, our self-funding is going to be very, very, very high. And the plan we have right now is taken care of based on the type of plan we have with Cigna. I just wanted to put it on the record. Thank you so much, Mr. Chair.

2:42:46 Thank you, Senator Blyden. Senator Franklin Johnson, you're recognized for your point of information. Thank you very much, Mr. Chair. Mr. Rehm, I want you to speak to the layman, the older folks out there. did you just say that someone six years and old are going to have a lot more little issues than a younger person and are you saying that it's going to cost them more didn't say what it's going to cost what i said is they could have more would it cost them less possibly could cause them more possibly could cost them less but guess what so you at the current pace we're currently going it's not sustainable over time as you can see what i said in my testimony went from 154 million in six years to 200 and possibly you're telling me that we're gonna put that burden on our seniors no because they're gonna have more issues they're gonna have more medication to deal with they're gonna have a lot of issues and they do senator as you're aware so we can put it in perspective when you get to a certain age you now get medicare also so you have dual coverage so there's there's things there that you're mentioning and we're not looking at the full picture here what i really want to espouse here so you can understand let's look at the whole picture get the data and come back and say hey here's what's the best way to go going forward nothing I've got my mind made up.

2:44:14 Thank you very much, Senator Johnson. Senator, I was going on to the testimony. I didn't hear your point of information. Senator Alma-Francis Helga, you're recognized for your point of information. I appreciate it. I just wanted to ask quickly, for the RFP standpoint, point, is there anything currently right now stopping the board from doing so? Also in regards to the aging comment, a lot of the individuals that have aged for our government retired at a much lower salary. So I can't imagine what the split might be like for those individuals that might have a much smaller salary to now have to pay a lot more. And And the last question is, what is the average split normally you will find in self-insured policies? Thank you.

2:45:15 Based on my experience, Senator, in terms of being in private industry, it's normally 80-20. Who pays the 80? The employer. Okay. 80-20. Thank you. Thank you very much. Senator Bocas, you recognize your point of information? Thank you, Mr. Chair. Mr. Chair, my point of information stemmed from the senator, who was the principal. And he was indicating concerning the special committee and the consultant. In section two, a special committee is established to oversee the development and issuance of an RFP. yet it doesn't clarify if the committee has the authority to select a vendor enforce the implementation or making any binding policy decisions which would include a consultant which all of these things can be done directly by the board currently um is that correct just to for the record correct correct so it's almost as if we're trying to mirror what is already the authority of the board and again the bill seems to usurp the authority the statutory authority of the board and it doesn't look like this bill would get my support thank you for the time mr chair thank you very much senator angela bulkes senator carla joseph you're recognized for your five minutes thank you so kindly mr. chairman a pleasant good day to you my colleagues and a listening audience and a pleasant good day to the testifiers

2:47:03 here today with us this is very troubling to me and the reason is we have three measures this morning that we will call into special session for And with those measures, you have to wonder what is the prevailing issue. Is it we are not getting along? That's why we're having these bills come to us. Two bills, they have preemption here.

2:47:40 That's a lack of communication because then you wouldn't put it down. You would not send it down if you know that. So is it not that we're not getting along and we're not working together? Because we wouldn't be having this conversation today if we were. We would be talking to each other, working with each other, finding that common ground, which is, I'm going to tell you what it is, our people, the taxpayers. payers. And that is my prevailing concern. When you truly have the taxpayers' love and their full issues and concerns at heart to resolve it, you have conversations, you talk to one another and you find that common ground it's very simple but i know it's hard to do i'm saying it very simply miss beverly joseph

you have the same last name as i do and i wanted to ask you because you i read through your your presentation and you have in here the appendixes which is very important but it says here on the appendix that you mentioned in your in your statement that it is confidential what do you mind if I know it says confidential and it's from the risk strategies because it looks like you did a little preliminary pros and cons I want to read from it and I would love if you give me authorization to do it you see how respectful that is yes i can yes okay go when you do the questions being answered is gonna come from christian bernstrom because he is from risk strategies who created it so you can tell you the answers directly okay fantastic see how simple that is very you just ask some people could

2:49:48 say no they say no a lot to me and i don't think they're supposed to be saying no say yes so on page five we're looking at this financial risk mr gehring it says here page five the primary jarback of self-funding is the potential for high unexpected medical claims that could strain the government's finances if claims dollars are not funded to the claims bank account claims will be paid is that a fact that is happening now with our current Cigna that we are having an escalation in the amount of claims but they're being paid for because we have a Cigna insurance Kurt Goering from risk strategies yes absolutely we're having a much higher utilization this year than we've had in the past and if you were self-funded and that and you you had a projection of X amount of dollars but you go over that you have to have the money today and so director Cindy Richardson you know I really admire you because you don't come down here with such passion okay and I know you're fighting and I understand what it is okay this is almost like a chess game all right but hearing this and you also mentioned you have the consultant they provided this 30 seconds have you seen this white paper with the pros and the cons yes I have and you still think that we need to go out and do a RFP to get a full broader perspective yes I do think we need a lot more information especially Especially as it pertains to the implementation on the back end, because that would definitely impact my staff and along with anybody else that would have to be involved. But also too, just for planning purposes, what it would take. Even when we see some of the changes that's coming along this year, even from the retiree side, we have a team that's been meeting for the last six months, will be meeting for

2:52:10 six months in order to put that in place. So those are the type, that's the type of information, what it would take on the back end, how long, and to make sure that if we were to go this way, what it would take on a whole. Okay. On this same page, it tells us the projected program costs, page five. It says we're going to need $208 million inclusive of the semi-autonomous agency. agency I don't know if we have all of that money we just had to appropriate money out of the Epstein funds to pay back retroactive work money we don't have that money sitting in a bank someplace we don't got it I have to start I mean I'm gonna just mr. chair mr. chairman I'm gonna wrap up okay I I just want to make, I want to make something clear.

2:53:08 G-E-S-E, Miss G-E-S-E, thank you. I think you need to go and put out the RFQ yourselves. This should be your march in order to do this. Okay, you don't need a governor to tell you and to have us here wasting the human beings who pay us tax, our taxpayers' time. Go out and put out the RFQ and put it out, RFP, RFQ, to get some extensive feedback on self-funding. So we can make, and I know you have the capacity to do it. And so my last question would be, do you think that you can go ahead and put out this RFQ? Yes, we can, and our consultant has done already, gathered most of the information that they're saying they're requesting.

2:54:08 When the director came to the board in the meeting and said she wants the information on how to implement, and it requires a conversation with OMB and finance, the board response to Director Richardson was, okay, let us know when you want to sit down and meet. I can't tell them a time, we give availability dates, when Commissioner Reimer, Commissioner McCurdy and the director wants to come to the table, our consultant would be there. We already started the work. This was already done, shared with them. And I'm going to state, I don't think we need an RFP. We just need the RFI, request for the information. It doesn't need an RFP because your consultant is hired to do this. The Gehring Group does this for a living. They take plans that were fully insured and turn them into self-funded. So they're already armed with the information and the structure, what needs to be done, they know the size of the plan, and they have everything needed. And bear in mind, you have 14 non-profits, you have Port Authority, UVI, and you have the Frederic State Health Centre, Port Authority. You know they don't have to stay on this plan. So if you are talking self-funding, you don't have a conversation with them and they decide to opt out and go, your membership drops again. And we need to do that. Right now, you have more retirees than what actives.

2:55:39 You have a plan, 6,984 in actives, 7,109 in retirees. Everyone is saying the plan is driving, and you are correct. But bear in mind when we started, at least when I started this plan in 2012, you had more active workers. You have less now and you have more of the retirees are in perfect health. They go to the doctor to utilize it.

2:56:09 What's driving is your actives. Your working population is what is chronic and the data that has been presented from Cigna, only 8% of that population is healthy. We are talking about Affordable Care Act. The reason Affordable Care Act did not work is because they did not understand how chronically sick America was and did not have the affordability for

health insurance. So you don't have enough clean claims to supersede those bad claims that are coming. So again, for the record, GESC is not saying no to self-funding.

2:56:52 We look at the data. We're saying what it's going to cost this government is what is the trouble. Because you're going to pay off $36 million to signal what is owed. You're going to have to have that $6.3, $6.9 million weekly. still gotta have that claims payment additionally that's coming in and if you say hypothetically is 16 million but some September you have a high claim rate and it comes 24 million dollars you better have that money in the kitty or else your members don't have access to care if I am going for chemo and I don't have that paid and I miss my chemo treatment it is going to be on the government that is where we stand and that is where I stand I am a member I represent you the people which is all of you in this room as well as those that are under out listening we have to be mindful and we have to make sense is healthcare expensive yes the fact is we're sick we need help no one asks to be sick but it comes and the richest man when the wrong sickness come will make you broke and that is the bottom line thank you thank you so much mr. chairman and thank you so much miss joseph for that explanation i'm not i'm not comfortable putting our people at risk thank you i mean i didn't get any point of information but thank you so much mr chairman for the for the leniency you're welcome senator you're squeezing at least four points of information there Thank you very much. I wanted to ask Director Richardson because, you know, the question of RFI, a request for information, I read the white paper that the Goering group provided. It was very objective.

2:58:52 That's what I gathered from it when I saw it. It really clearly outlined the pros and the cons. It didn't skew things in one way or the other. So I really appreciated it. Would the administration be opposed to having the RFI with a view towards strategically determining when might be the right time to transition to a self-funded insurance program. I mean, it seems to me that we may all be saying sort of the same thing. There is some acknowledgment of the benefits, potentially, of a self-funded program. But the concern that this body, my colleagues seem to have, and the board, is the vulnerability right now of this group, the health of this group, the cancers and the diabetes and the high-costing diseases that are disproportionately impacting us, as well as the vulnerability of our cash reserves and cash management. It puts us in a spot where I know this, Senator, to have that on my conscience that I was a part of the entity that prematurely shifted from a fully insured plan to a self-funded plan before we were really ready for it. Is the government executive branch open to maybe a more collaborative engagement regarding doing the RFI, getting the information, getting the data, a lot of which we have already received from our consultant, and strategically determining when might be the right time for us to consider

3:00:54 going down the self-funded road, where we will be better prepared, and the risk and the rolling of the dice with the health of the Virgin Islands would not be so much. Thank you for the question, Senator. you know that that's why we're here today it's it's for us to explore for us to get the information to make those decisions can we we're not gonna do it for 10-1 can we do it for 10-1 26 possibly if we have the information and maybe we needed to do this today to get the RFI RFP because there's a first time we're hearing about it even in part of the discussion so yeah maybe we needed to activate and get people excited about it because this is what we need to do you know you you're paying the consultant they're supposed to be bringing forth cost savings okay so they're here how can they take us possibly yes but again it's a matter of us getting the information finding out how much it will cost can we do it how can we go about doing it the fact that we have that over 91 percent of employers with our on our side is in a self-funded situation so just get this for us to get the information that we need to make the right decision we're not making the decision here today to go self-funded we're just gathering the information and yes we're not going to you know we're talking about life and death it's an important decision and we don't want to take that lightly but if we can learn how to do it we we're getting the information as we see those rising costs we have to have an alternative so if we can learn how to do it what we would have to do to get there put those things in place it's it's great we're not waiting till the end of the budget season to say well hey you got absorbed the cost and I don't believe that communication is really the key and I think that a better probably a more effective strategy rather than a special session to discuss it here would

3:03:00 have been to just have a open discussion honest discussion and perhaps the legislature could be involved the GSE of the insurance board but there wasn't any formal communication with to at least my understanding here today there wasn't a formal directive or formal communication to the GSE board to share, you know, can we explore, you know, the pros and cons of going to a self-funded model. But I'll leave it there. I wanted to just ask Dr. Rosenberg one question before I go to my colleague, Senator Francis. I wanted to just ask you, Dr. Rosenberg, just from the perspective of a provider, I wanted to hear your thoughts on the prudence of us transitioning to a self-insurance model in the short run just just to kind of get your professional thoughts and feedback thank you senator the provider community is not opposed to self-insurance we understand that inherent in it there are savings that can be occurred their concern and their concern is massive that it can only work in a system that is reliable and competent in paying their bills in a timely fashion and it's been demonstrable that that is not the case here so they are terrified that if such a system were implemented that they would be asked to carry

the government they've had some experience with this in the past with Medicaid payments workman's comp payments could take years and years to get the provider community if that was implemented for the government employees through Cigna which is a major source of their sustainability and their income they could not carry that and if they weren't getting paid on a regular

3:05:14 schedule as they submitted their invoices as is the case with most providers most companies that provide services to the government be it haul in garbage or you name it you have to wait and has detrimental effects to their businesses some are capable of carrying the government for long periods of time most physician offices and other providers not just physicians laboratories physical therapy chiropractors on and on are incapable of doing that and and additionally the hospitals that rely on that income on timely basis I mean the hospitals don't get their allotments on a timely basis they still haven't gotten their complete July a lot at least as of yesterday to start holding up the payments from the private insurance could be devastating to health care and I think we would end up losing a lot of physicians it'd be harder to recruit physicians it's already difficult enough but the provider community as again is not opposed to self-insurance but fears that being done at this time in this situation it could be catastrophic I think that before you it's not you could do an RFP and get information but I think everybody here clearly all of the senators understand and the government understands that there would be savings with self-insurance the question is are we capable of implementing it and if history is any guide which I think it should be the answer has to be a resounding no thank you I appreciate the feedback dr. Rosenberg senator novel Francis you're recognized for your five minutes thank you very much mr. chair and good afternoon to everyone thank you for

3:07:05 your testimony and just feeding back out for that are we saving money how are we gonna save lives let us sink in for a minute are we saving money are we going to save lives hurry dog eat raw meat haste make waste i for one i'm not gonna risk health care health care has rise to number one issue in the Virgin Islands as we stand today. We see them, the amputations, the pacemakers, dialysis, the stroke victims, cancer. By the way, I'm a survivor. Thank you, Signa. You were good to me when I needed you. So, you know, when the elephants fight the grass gets rampled and I think that you know what I've heard here today and and I think everybody's saying the same thing I heard from Cindy Richardson that not a decision to be taken lightly I think she was very profound in making a statement I heard from Beverly Joseph that we need to move cautiously and this I certainly support the notion that we need to explore all opportunities for self-insurance and you know from that backdrop is where I'm gonna again ask my questions but I'm not gonna be rage baited into making a decision I wanted to ask you miss Richardson director Richardson what stopped the administration from commissioning an independent analysis at this time I I personally think there's nothing at this point stopping us from doing so because again yeah I heard everybody talking

3:09:08 about the need for analysis for us to be able to get more information for this body to be able to make an informed decision I think coming in here again And with all of that information, the research, I think that would have helped us to be able to make a decision on that. We have heard of the chronic illnesses that we're up against and the health care costs. I wanted to ask you, Christian, real quickly, what's driving the impact of our plan and increasing the cost? Christian Bergstrom, Gehring Group.

3:09:38 So right now, obesity, diabetes, and hypertension are the top three chronic conditions. Obesity, Hypertension, Diabetes, and Diabetes, and we complain about the GLP. If they lose their weight and they're getting better with their diabetes, then so be it. This is causing us and obviously Cigna could determine whether or not they want to approve it, but you know, we need to really look at that. So what is the savings? I will ask OMB finance or whoever personnel, division of personnel, what is the savings that we're seeking to derive from moving towards self-insurance? Good afternoon, Commissioner of Finance, Kevin McCarty.

3:10:34 One minute, 30 seconds. So Senator, that's what we're trying to figure out. What we do know is, and as stated, the current health insurance will increase by 19.5% of Well, proposed projected increase is 19.5%. According to the board chair, there is a potential savings of our increase of 17%. We don't know. That's what we're trying to find out. What we want to be able to do is make an informed decision. Here's what we have, here's what we can afford, and here's where we should go. If that turns out to be a fully funded program, then so be it.

3:11:13 where that's what we go with. And the mechanism by which we're able to derive at that conclusion is what? Like what conclusion? Which route we go? Information. Being informed. Being able to say we've looked at what we have and we've looked at this other option and the best option is to stay the course. So hence my question again what have we done then to be able to articulate those information. My time is running though. In respect to how we are able to again create this pool or this lock box that I'm hearing of, again, OMB, how are we going to be able to satisfy that? As it stands right now, we owe Department of Health O's Larkin Community Hospital, Devon Row Foundation, Sylmar, millions of dollars through Department of Health. They just reported that as well as DHS. If we're able to have funding that we could put in

a lock box, why won't we pay for those people before they dropped all of those mental health patients right back in our doorsteps time senator there's several things that have to happen here going forward and to be very frank right when it comes to fiscal controls and fiscal management at times the government lacks it that's why we have the controls that we have now in place by between myself and the commissioner of finance that we now have control of all the cfos within the government In doing so, you won't have these situations going forward. When you have an entity such as the Department of Health or an entity that long, what goes back to a prior fiscal year, it creates the issues. Once we go through the process from OMB and finance to really scrub through every single department and their financial structures and fix that problem, then we won't have those issues going forward. We have already went through about 16 agencies at this point and have determined some agencies need more help than others. One is the Department of Health, and we are addressing that issue right now.

3:13:12 Thank you. My time has been called. Again, I don't like the shotgun approach. Take the shotgun from my head. Let's do our due diligence to make sure that we're moving in a path that could satisfy this community. Thank you very much, Mr. Chair, for the time and opportunity. Thank you very much, Senator Francis. Senator Clifford A. Joseph, you're recognized for your five minutes. Thank you, Mr. President, for the time. Good afternoon to the listening public. Good afternoon to my colleagues. Good afternoon to the testifiers. I'll go down the route and ask each one of you from McCarthy goes down. Do you own your personal home? I do not.

3:13:50 Ms. Richardson, do you own your personal home? I do. Yes. yes okay good the question the reason why for this question is we worry right now about life and insurance right speaking about we're speaking about life we're speaking about insurance um medical and medical insurance coverage so the reason why i ask the question about the homes is i'll ask you guys now would you take self insurance and your personal home No, because it's the same. I'm just saying that we're going to get to the point where we're going to have the savings, right? And at some point, because I've done it, I have done it.

3:14:37 So I'm asking the question because you're going to have the savings and you're going to be able, after you have the savings, something will come up and you have to spend out of the savings. So right now we had some extra money because the insurance, the self-insurance gave us some money and we had four other bills that we feel like we could take a chance and pay it out quick, we're going to do it. And then the insurance company sent something over what we even had in the savings. And where are we then? So I'm just, I'm going to go on my colleagues who just spoke before me and say, we need to take our time. Just like you guys said, you want it to be a study.

3:15:14 But I know personally for self-insurance, that's where you're going to be in. Look at the cost of inflation. Just on goods, we ain't even talking about insurance, because insurance is a whole different. I mean, medical insurance is even more. But I'm just saying, going back to your home, if you live in a hurricane-stricken area like we do here in the boys and you're on self-insurance, you were estimating, oh, when I got $300,000, that should take care of me. When you see the new prices at a million dollars to fix your house, you're going to be like, wow, why should I really take that $300,000 pay for my insurance so this afternoon question mr. chair I true the chair to legal counsel so where is legal counsel to legal counsel and to the representative of Cigna or to the leads of the GBI team in self-funding in a self-funding plan if I claim if I claim my treatment if I claim for a treatment and it's denied where do we go is that to to specifically yeah by just two legal counsel asking a question because okay the daring group okay hi christian version you may proceed so if i'm understanding your question correctly if the claims are not paid then who's taking care of you yeah if the claim is denied if the claim

3:17:02 is denied what process what was the appeal process because do we go to the local labor federal labor um or we end up in court local court or federal court so it would be under the affordable care act that outlines the appeals process so there are three levels of appeals and the third level of appeal would more than likely the way the current structure is set up the third level of appeal would go to the GESC which is the fiduciary of the plan and the board would make the decision of whether or not the coverage is denied or approved okay that's it again and that's in self-funded that's in self-funding yes okay thank you mr. chair for the time thank you guys for the response thank you very much senator Joseph senator Murray C James you're recognize for your five minutes thank you thank you mr. chair good afternoon colleagues testifiers everyone in an outside room well first of all I'm going to have to ask all my colleagues to support my bill the governor government policy bill thank you very much I hope you support it and understand that um something that i'm feeling in this room with respect to all three bills that the governor sent down is fear f-e-a-r there's an underlying fear in our community with respect to those three so i i will i will thank the governor first of all for putting a spotlight on my bill But also, for actually spotlighting the other two bills too, because healthcare today, initially when we began, I began to feel like it was in fact a waste of time.

3:19:04 But it's really not a waste of time when we use this opportunity to educate our public. And I learned, especially from Ms. Joseph, the chair, a number of things that concern her as a chair that I may not have been aware of before, so I want to thank you for that. I also thank Ms. Director Richardson, because I also saw the reason why, but I wanted to explore that a little more with you. Does it, because it's a tool, it's a double-edged sword in this sense. It seems as if the motivating factor is you cost savings and the escalating costs to us as a government. But then you have the inability of the government to pay its debts, which I was very happy to hear Director Raima talk about the steps that are being taken to control, for example, the Department of Health.

3:20:19 What's happening here in this room today is we're just seeing how all these different factors are converging on the crisis that we face in terms of a government that is not financially stable enough to have a self-funded plan. That seems to me to be the bottom line, just simply hearing all these different factors. And I wanna thank Director Richardson because you pointed out something that we already know. On the bottom of your first page, you say our benefits consultant has identified key areas that must be addressed before any move to self-funding can be responsively considered.

3:21:10 And the first one is ensuring predictable funding. The second one, building sufficient reserves. So it's almost as if we need to do that first, before we even ask for RFI. As far as I'm concerned, we need to show the people of the Virgin Islands that- Then there's our paid that we have, and I'll give you a good example. We had, now that I'm serving on a finance committee, I'm so happy about that.

3:21:43 I keep expressing that. But we had a good example of the Easton Medical Center, where Dr. Richards, when she came in, she talked about turning it around and coming in front of us with a surplus, right? Even though there were two areas where she needed an infusion. Yeah, right. Raise your eyebrows because I felt the same way. But what was good was the fact that she had turned it around and caused these savings. And then we had the example where my colleague, as we're calling him, the principal colleague, the majority leader, pointed out where in the Department of Human Services, that vendors were not being taken care of and their bills weren't being paid. And that comes down to our employees in government.

3:22:44 So then I got a little scared just from that interaction that he had. aren't government employees going to be the ones that would actually be and I'm not saying our government we have had a high performance I'm not saying but it makes me a little nervous wouldn't government employees be the ones who would actually be doing everything that Cigna does in terms of a self-funding plan or do you hire an entire group of people to administer the plan? That's what I would like to know. Christian Bergstrom, Gehring Group. So you would hire a third party administrator such as Cigna. They can be a third party administrator. United, Blue Cross was mentioned as well. And there's other third party administrators. And they would, you would essentially hire them to process the claims you would rent the network from them the network of doctors and also their discounts and their utilization programs so and that and we would save money because we would still be expending we would who we would there is a potential for savings yeah there is a potential for savings but there's no guarantee correct and it and the risk you you can't say to me that oh mr. chair I'm sorry I went over my time I just realized I heard time and I'm very strict about that in my mind I'm okay okay wrap up okay you understand where my concerns are though and I'm going to to say this with respect to what the

3:24:39 majority leader pointed out in your words matter and there is in fact a sentence in the bill that also disturbed me in that same section oh Lord I can't find it now I'm sorry just give me one section six it was right because there there was the line that talked about the role of the GESC and say stating that They would have no rule, and there's just that last sentence, in the implementation of any contracts resulting from this act. But the legislation states clearly in Section 631 , that the board is hereby empowered to adopt rules and regulations relating to contracting with a third-party administrator administer a self-funded health insurance plan so I that's like that that is inconsistent the only thing I'm gonna say to my colleagues is that the legislature is who has the power over this one thank you thank you thank you Senator Maurice James Senator Clifford Joseph you recognize for your point of information thank you mr. president this question is for director Richardson we had a meeting a couple months ago with the governor and all the senators and i guess the folks here from signer when we left that meeting did you guys ever reach out to all the heads of agencies to make sure that individuals starting to use their medication because it was a

3:26:28 the number was real high for folks who was not even um going to the drugstore so i'd like to know if you ever had a meeting with the heads of agencies to make sure they could cramp down and their employees because that's car saving by itself because if people start to be healthier we talk we sound to talk about they'll be using well we'll be seeing less casualties as far as diabetes going or hypertension going out of the ceiling if they stand to take the medication because they're not have that been done thank you for the question senator um it wouldn't necessarily be through the department heads that that information would have been relayed um i do know that it was brought up one it was brought up in the following cabinet meeting but in addition to that through the division of personnel and through the gvi wellness program

regular updates goes out to all of the government employees in addition to the various wellness activities that are planned not only by the Division of Personnel but by the GVI wellness program on a regular basis thanks for your response thanks for your response thank you for the time mr. president point of information senator Maurice James thank you sir along that line to Commissioner McCurdy in your sentence where you talk about the VA and I'm glad for this information the government of the Virgin Islands has paid more than 1.2 billion collectively to the insurance companies but I don't understand where your statement yet our health care outcomes and infrastructure do not reflect that level of investment what do you mean by that because I I'll say Along the same line that my colleague here talked about, I pay $10,000 a year in homeowners insurance and I pray that a hurricane never comes, but I still pay that. So it reflects my investment in the sense that there's no hurricane, right?

3:28:39 So what did you mean, you can clarify that for me, that do not reflect the level of investment. So thank you for the question. We've paid $1.2 billion, but can we honestly say that we have a $1.2 billion healthcare system? I mean, we're still going away for care, simple things. My daughter right now has allergies and she has to go to Florida every month to see a doctor, to see a dermatologist. So but we've invested $1.2 billion.

3:29:14 So part of that paragraph also says that we pay more to insurance than we pay to get our people healthy. The chair said, you know, we have an unhealthy population and we've paid $1.2 billion in insurance. I think that what we need to do is maybe have that money invested in things that... hospital invested in healthy options things that can help us to get to maybe an improved workforce maybe an improved committee community rather than the insurance company that's that's what that statement means there's a quick follow-up yes you may know I would you know but paying paying paying it to the government doesn't change the fact that your data has allergies no you know it does it would have no it does not it does not know so with the more that's that's my point though so how my point is here we're investing in inch in paying insurance premiums at to the tune of 1.2 billion dollars what weird but but we still have where can we all of us right now said in different ways that we have a healthcare crisis. Can we honestly say to ourselves that we can see that investment, 1.2 billion dollars investment in healthcare in our community? When we cut out a lot of waste, fraud and abuse and start to put that money in the hospitals, in the Virgin Islands, yes. And that is what we're asking. Can we look at an option that allows us to do that, where we don't have a plan where regardless of how many dependents you have you pay 242. if you have six dependents if you have one dependent for a family plan you pay 242.

3:31:15 i'm going to i'm going to yield to my colleagues right now because i i don't want to continue yes thank you very much very much thanks senator james Senator Avila you're recognized for your point of information yeah thank you old vehicle and continue?

3:31:57 You mean you know your own life? The Curtis logic is so flawed. You put all this money into insurance, you're going to have to do that anyway. Yes, you should put more money into healthcare and the hospital. Thank you.

3:32:54 Thank you. ¶¶ Thank you. Thank you. ¶¶

3:35:23 Thank you. Thank you. I love you so so

3:37:53 Hey Thank you.

3:38:53 Thank you. I'm not a bad guy, I'm not a bad guy, but I'm not a bad guy, but I'm not a bad guy. I love you. Oh Oh, oh, oh, oh. Thank you. Oh, my God. Thank you. Oh, my God. Thank you. Thank you. Oh, my God. Thank you.

3:45:23 Oh, my God. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. I love you. so Thank you.

3:50:53 Oh, my God. Thank you.

3:51:53 Thank you. so Oh Oh, my God. Oh, my God. [3 such phrases repeated 12 times · standby audio before the proceeding, transcribed by the recogniser as speech]

3:58:53 me Oh, my God. Thank you. I'll see you next time.

People named in this transcript

SUSPECTED, and a finding aid only. Names were matched by machine against the spellings used across all 426 of our transcripts, and the title is the one used in the room. Being named here is NOT evidence that a person attended or spoke · only that the name was said. Speech recognition mishears names, so a spelling may be wrong even where no alternative is offered.

12x **Senator Franklin D. Johnson**
heard in this transcript as: Franklin Johnson, Johnson

9x **Senator Carla Joseph**
the surname alone also matches: Clifford Joseph; Karla J. Joseph
heard in this transcript as: Carla J. Joseph, Joseph, Joseph Sr

9x **Senator Kenneth L. Gittens**
heard in this transcript as: Giddens, Gittins, Kenneth Gittins, Kenneth L. Gittins

9x **Senator Marise C. James**
the surname alone also matches: Javan James; Giovanni James Sr
heard in this transcript as: James, Maurice C. James, Maurice James

9x **Senator Novelle Francis**
heard in this transcript as: Francis, Francis Jr, Francis Jr., Novel E. Francis Jr, Novelli Francis Jr.

8x **Senator Marvin Blyden**
heard in this transcript as: Blyden, Blyton, Marvin A. Blyden, Marvin A. Blyton

7x **Senator Alma Francis-Heyliger**
heard in this transcript as: Alma Francis Heiliger, Alma Francis-Heiliger, Francis Heiliger

7x **Senator Hubert Frederick**
heard in this transcript as: Frederick, Hubert L. Frederick

7x **Senator Milton E. Potter**
heard in this transcript as: Potter

7x **Senator Ray Fonseca**
heard in this transcript as: Fonseca

6x **Senator Dwayne DeGraff**
heard in this transcript as: DeGraff, Duane de Graff, Dwayne M. DeGraff

5x **Senator Avery Lewis**
heard in this transcript as: Avery L. Lewis, Lewis

5x **Senator Clifford Joseph**
heard in this transcript as: Clifford A. Joseph, Clifford A. Joseph Sr

5x **Senator Kurt Vialet**
heard in this transcript as: Kurt A. Ville, Viale, Ville

4x **Senator Angel L. Bocas Jr**
heard in this transcript as: Angel L. Bocas Jr., Bocas, Bocas Jr.

4x **Senator Angel L. Bolques, Jr.**
heard in this transcript as: Angel L. Bolques Jr., Anghel Bulquez Jr., Boquez, Bulquez Jr.

3x **Senator Kurt A. Verley**
heard in this transcript as: Verley

3x **Senator Kurt VLA**
heard in this transcript as: Vila

2x **Senator Clifford A. Joseph Senior**

2x **Senator Joseph Senior**

2x **Senator Kurt A. Vele**
heard in this transcript as: Vele

2x **Senator Kurt Avila**
heard in this transcript as: Avila

Bills and acts referred to

Matched by number against our own acts corpus. The number is what the recognition heard, so it may be wrong; where it resolved, the title is the one the Legislature gave the act.

Act 6488	Act 6488 · (title not held)
Act 6634	Act 6634 · an act or omission of the donor constituting gross negligence or intentional misconduct. (c) A person who allows the collection or gleaning of donations on property. owned or occupied by the person by gleaners, or paid or unpaid representatives of a nonprofit organization, for ultimate distribution to needy individuals is not subject to civil or criminal liability that arises due to the injury of death of the gleaner or representative, except that this paragraph shall not apply to an injury or death that results from an act or omission of the person constituting gross negligence or intentional misconduct. (d) _ If some or all of the donated food and grocery products do not meet all quality a

Referred to but not found in our acts corpus: Bill 36-0124, Bill 36-0125, Bill 36-0126