

BILL NO. 30-0305

Thirtieth Legislature of the Virgin Islands

January 14, 2014

An Act ratifying the First Amendment to the Agreement for Medical Insurance dated September 26, 2013, between the Government of the Virgin Islands and United Healthcare Insurance Company and its Affiliates

PROPOSED BY: Senator Shawn-Michael Malone by request of the Governor

1 **WHEREAS**, in section 2 of Act No. 7561 the Thirtieth Legislature of the Virgin
2 Islands ratified the Agreement for Medical Health Insurance by and between the
3 Government of the Virgin Islands, through GESC Health Insurance Board of Trustees,
4 the University of the Virgin Islands, the Virgin Islands Housing Authority and
5 UnitedHealthcare Insurance Company and its affiliates, which is attached to Act 7651, as
6 Appendix B; and

7 **WHEREAS**, during the transition of the post sixty-five year old retirees from
8 CIGNA to UnitedHealthcare, it was determined that approximately 189 retirees did not
9 have Medicare Part B coverage, thus making them ineligible for coverage under the
10 AARP Medicare Supplement Agreement; and

1 amendment is needed to extend healthcare insurance coverage to approximately 189 post
 2 65-year old government retirees, who during the transition from CIGNA to United who
 3 lacked Medicare Part B coverage. The coverage of these retirees by a Senior Supplement
 4 Plan under the Amendment would commence on December 1, 2013 and expire on June
 5 30, 2014, at which time the retirees would be added to the main United plan if they obtain
 6 Medicare Part B coverage.

7 The Amendment is composed of eight sections. Section 1 of the Amendment
 8 amends section 3 of the United Agreement to make provisions for the Employer's
 9 eligible retirees and their dependents to receive insurance coverage. Section 2 of the
 10 Amendment amends section 4 of the United Agreement, captioned "Benefit Plan", and
 11 addresses Evidence of Coverage, which will be supplied by United, and issued to
 12 Members of the Prescription Drug Plan pursuant to Medicare Laws, and which sets forth
 13 prescription drug benefits and terms and conditions of coverage to which Members are
 14 entitled.

15 Section 2 of the Amendment also provides for issuance of certificates of insurance
 16 to eligible retirees and their eligible spouses who enroll in coverage under an AARP
 17 Supplement Plan, which sets forth AARP Medicare Plan of the United Senior
 18 Supplement Plan benefits, terms, and conditions. Section 3 of the Agreement amends
 19 section 6 of the United Agreement, captioned "Open Access", and authorizes eligible
 20 retirees and their eligible dependents not enrolled in Medicare Part B as of December 1,
 21 2013, to enroll in one or both of a United Senior Supplement Plan and a Medicare
 22 prescription drug benefit plan provided by United.

23 Section 4 of the Amendment amends Addendum 1 of the United Agreement to
 24 add the following United Senior Healthcare Plan and Senior Supplement Plan plus PDP
 25 Plan premium rates to be in effect from December 1, 2013 through June 30, 2014:

- 26 1. UnitedHealthcare Senior Supplement Plan rate: \$694.42 per person per
 27 month; and
- 28 2. UnitedHealthcare Senior Supplement Plan plus PDP Plan: \$825.92 per person
 29 per month.

30 Under the existing Addendum 1, Exhibit A the premium rates are as follows:

31 <u>Category</u>	32 <u>Cost</u>
33 Employee	\$669.53
34 Employee & Family	\$1,170.72
35 Retiree < 65	\$868.07
36 Retiree (<65) & Family (<65)	\$1,551.48
37 Retiree (<65) & Family (>65)	\$1,196.38
38 Family (<65) of Retiree (>65)	*868.07

39 Sections 5 through 8 of the First Amendment to the United Agreement provide
 40 respectively that all other provisions of the Agreement remain in full effect, undefined
 41 capitalized terms are as defined in the Agreement, the Amendment is subject to
 42 appropriation, availability of funds and approval of the Governor and the Legislature,
 43 photo copy signatures are of the same effect as the originals, and the Agreement may be
 44

1 executed in any number of counterparts which will constitute the original and same
2 instrument.

3 Section 2 of the bill makes the Act effective retroactively for remedial purposes.
4 Under the First Amendment, the coverage of the retirees commences December 1, 2013.

5

6 **BR13-1179/YLT/January 11, 2014**

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

APPENDIX A

(First Amendment to the Agreement for Medical Health Insurance)