

BILL NO. 36-0126

Thirty-Sixth Legislature of the Virgin Islands

July 23, 2025

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

PROPOSED BY: Senator Milton E. Potter, by Request of the Governor

WHEREAS, the cost of fully funded group health insurance coverage for government employees and retirees has drastically increased in recent years, placing a substantial burden on both the Government of the Virgin Islands and its employees;

WHEREAS, self-funded insurance plans are increasingly utilized by public sector employers as a means to achieve long-term cost control, risk management and improved plan flexibility;

WHEREAS, a self-funded model allows the Government to pay actual claims as they are incurred, rather than fixed monthly premiums, potentially resulting in substantial fiscal savings;

WHEREAS, the Government Employee Service Commission is the entity charged with overseeing the administration and procurement of health benefits for government personnel and retirees and it has failed to issue a Request for Proposal (RFP) to consider and compare a self-

funded insurance model with the existing fully funded group health insurance coverage for the Government of the Virgin Islands; Now, Therefore

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Purpose and findings

To provide oversight, transparency and a path forward for transitioning to a self-funded insurance model that ensures fiscal responsibility while preserving quality healthcare coverage for government employees and retirees, the Legislature finds that:

(a) The continued increase in premiums under the current fully funded group health insurance plan threatens the financial stability of the Government and the affordability of coverage for its employees and retirees.

(b) A self-funded insurance model presents a viable alternative for cost control, increased transparency and flexibility in plan design.

(c) It is necessary and prudent to explore the feasibility and implementation of such a model through competitive procurement.

(d) The creation of an independent special committee will ensure broad stakeholder oversight and transparency in the evaluation and procurement process for a self-funded insurance model.

SECTION 2. Establishment of Special Committee on Government Health Insurance Reform

(a) Notwithstanding any law, a Special Committee on Government Health Insurance Reform (“the Committee”) is established to oversee the development and issuance of a RFP for the provision of a self-funded group health and dental insurance plan for government employees and retirees.

(b) The Committee is composed of nine members, appointed as follows:

(1) Three members appointed by the Governor of the Virgin Islands;

(2) Three members appointed by the Chief Justice of the Supreme Court of the Virgin Islands; and

(3) Three members appointed by the President of the Legislature.

(c) Committee members must have experience in at least one of the following areas: health insurance administration, finance, employee benefits, public procurement, actuarial science or healthcare law. The Committee shall elect a Chair and Vice-Chair from among its members.

SECTION 3. Duties of the Committee

(a) Within 30 days of its appointment, the Committee shall develop and issue a formal RFP for the provision of a self-funded group health and dental insurance plan.

(b) The RFP must solicit proposals from qualified insurers, administrators or third-party administrators with demonstrated experience managing self-funded plans for governmental or large-scale employers.

SECTION 4. Requirements for the Request for Proposals

The Request for Proposals must include:

(1) Full administration of claims and medical, dental and vision networks;

(2) Stop-loss coverage options;

(3) Wellness and disease management programs;

(4) Detailed cost projections and risk assessments;

(5) Implementation and transition plans from the current model;

(6) Options for integration with the Government's payroll and finance systems;

and

(7) Provisions for employee education and communication.

SECTION 5. Report to the Legislature

Within 30 days of receiving responses to the Request for Proposals, the Government Employee Service Commission shall submit a report to the Legislature summarizing:

(a) The number and types of responses received;

(b) A comparative analysis of the proposals; and

(c) recommendations for next steps, including estimated timelines and potential savings, if any.

SECTION 6. Elimination of GESC involvement

Notwithstanding any law, the Government Employee Service Commission (GESC) shall not have any role in the development, issuance, review or evaluation of the RFP or in the implementation of any contracts resulting from this act.

BILL SUMMARY

This bill establishes a “Special Committee on Government Health Insurance Reform” to address the sharp and unsustainable rise in insurance premiums under the existing fully-funded medical and dental insurance model. The special committee is tasked with issuing Requests for Proposals to explore a transition to a self-funded insurance model that would improve transparency, reduce costs and provide greater control for the Government of the Virgin Islands.

BR25-0717/July 15, 2025/PFA
G36-020