

**TESTIMONY OF KEVIN MCCURDY
COMMISSIONER, DEPARTMENT OF FINANCE
SPECIAL SESSION
BILL NO. 36-0126
AUGUST 1, 2025**

Good Day, Senate President Milton Potter, Vice President, and Honorable Members of the 36th Legislature:

Thank you for the opportunity to speak before you today. I am Kevin McCurdy, Commissioner of the Department of Finance, and I am 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 propose establishing a Special Committee on Government Health Insurance Reform to issue a Request for Proposal (RFP) 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 policy shift; it is a timely and necessary response to the unrelenting rise in insurance premiums under our current fully insured structure.

Over the past several years, premium costs have continued to escalate, driven by rising healthcare expenses and administrative fees imposed by insurance carriers. These increases have placed a mounting burden on the government as an employer, and more tangibly, on our employees through higher payroll deductions.

To illustrate, employees currently pay \$242.14 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.

Beyond the immediate impact on take-home pay, there is a deeper concern: Are we truly investing in health care, 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 collectively to Cigna, UnitedHealthcare, Standard Insurance Corporation, and the Life Insurance Company 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 plan design, provider networks, and cost management. It is a shift

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toward 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 thoughtful planning and a strong administrative foundation.

More importantly, this is an opportunity to realign our priorities, putting care before coverage, and people before premiums. Ensuring the health and financial security of our employees is not just a fiscal responsibility, it is a moral imperative.

In closing, I strongly support the intent of this bill, which seeks to gather the information and expertise necessary to make a well-informed decision about the future of our public health benefits. 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 am available to answer any questions you may have.