



COMMONWEALTH of VIRGINIA

Department of Human Resource Management

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The Honorable Timothy M. Kaine
Governor of Virginia

The Honorable Vincent F. Callahan, Jr.
Chairman, House Appropriations Committee

The Honorable John H. Chichester
Chairman, Senate Finance Committee

Re: Special report on the renewal cost of the state employee health insurance program

Item 77.H. of Appropriations Act, Regular Session, 2007, requires this Department to report the renewal cost of the state employee health insurance program premiums that will go into effect on July 1, 2008, including the impact of the renewal cost on employee and employer premiums.

An eight percent premium increase is projected based on current trend, and the impact on the COVA Care Basic premium is shown in the chart below. This assumes there are no benefit changes to the current plan, and includes a 1.75% OPEB phase-in for FY 08 and FY09 base premiums.

Table with 7 columns: PREMIUM, Single (FY08, FY09), Dual (FY08, FY09), Family (FY08, FY09). Rows include COVA CARE BASIC, Employer, Employee, and Total.

Respectfully Submitted,

Sara Redding Wilson

Cc: The Honorable Viola O. Baskerville
Secretary of Administration