



Proposed Regulation Agency Background Document

Agency name	Department of Human Resource Management
Virginia Administrative Code (VAC) citation	VAC 55 -30
Regulation title	Commonwealth of Virginia Long Term Care Program
Action title	This chapter will establish regulations used by the Department of Human Resource Management (DHRM) in the administration of the long-term care plan for state and local government employees.
Document preparation date	

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 21 (2002) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

In a short paragraph, please summarize all substantive changes that are being proposed in this regulatory action.

Enter statement here: These regulations explain which groups of employees, former employees and their dependents are eligible for the long-term care program sponsored by the Department of Human Resource Management. Additionally they clarify the different insurance classifications, and the processes that the eligible participants within each classification must go through in order to secure coverage.

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., the agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.

Enter statement here: Code of Virginia

§ 2.2-1208 Long-term care insurance.

§ 2.2-1207. Long-term care insurance program for employees of local governments, local officers, and teachers.

Purpose

Please explain the need for the new or amended regulation by (1) detailing the specific reasons why this regulatory action is essential to protect the health, safety, or welfare of citizens, and (2) discussing the goals of the proposal and the problems the proposal is intended to solve.

Enter statement here: During the last few sessions of the General Assembly the Department of Human Resource Management was authorized to sponsor a long term care insurance program for employees, and retirees of state and local government, along with terminated vested participants of the Virginia Retirement System.

These regulations will help define eligibility, and underwriting provisions, as well as establishing distinct insurance classifications for participants.

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. (More detail about these changes is requested in the "Detail of changes" section.)

Enter statement here: These regulations explain which groups of employees, former employees, and their dependents are eligible for the long-term care program sponsored by the Department of Human Resource Management. Additionally, they clarify the different insurance classifications, and the processes that the eligible participants within each classification must go through in order to secure coverage.

The regulations spell out that satisfactory evidence of good health is required prior to enrollment in the plan, except for newly eligible active employees or during special enrollments. Regardless as to date of

hire or any special enrollment, in order for employees to be accepted into the program, without evidence of good health, they must be actively at work.

§2.2-1208 states that any person eligible to participate in the long-term care insurance program established pursuant to § 2.2-1207 will not be eligible for the plan described in §2.2-1208. § 2.2-1207 authorizes coverage for employees and retirees of local government and school boards should the governing body elect to participant in the plan. These regulations make clear that employees or retirees of these governing bodies are not eligible to enroll in the program pursuant to §2.2-1208 regardless as to whether or not their employer participates in the program. Participation in the program by these individuals is contingent upon participation by their employer.

§2.2-1208 authorized long term care coverage for state employees. During the 2004 session of the General Assembly, House Bill 1179 was enacted which amended §2.2-1208, and in effect, created a new group of eligible participants. These are individuals who are neither employees nor retirees of state or local government. However, they must have five or more years of creditable service with the Virginia Retirement System.

Issues

Please identify the issues associated with the proposed regulatory action, including:
1) *the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;*
2) *the primary advantages and disadvantages to the agency or the Commonwealth; and*
3) *other pertinent matters of interest to the regulated community, government officials, and the public.*

If the regulatory action poses no disadvantages to the public or the Commonwealth, please so indicate.

Enter statement here.

The primary advantage to state agencies and local municipalities is that these regulations explain which groups of employees; former employees and their dependents are eligible for the long-term care program sponsored by the Department of Human Resource Management. Additionally, they clarify the different insurance classifications, and the processes that the eligible participants within each classification must go through in order to secure coverage. The regulations are required by sections § 2.2-1208 and § 2.2-1207 of the Code of Virginia, and clarify eligibility and underwriting provisions of the program. It is these provisions that will help keep the plan solvent, and help assure that the premiums remain reasonable.

Economic impact

Please identify the anticipated economic impact of the proposed regulation.

Projected cost to the state to implement and enforce the proposed regulation, including (a) fund source / fund detail, and (b) a delineation of one-time versus on-going expenditures	None, the participant pays the entire premium
Projected cost of the regulation on localities	None, the participant pays the entire premium
Description of the individuals, businesses or other entities likely to be affected by the regulation	Employees, and retirees of state and local government, along with terminated vested participants of the Virginia Retirement System.
Agency's best estimate of the number of such entities that will be affected	200,000 employees retirees and vested participants
Projected cost of the regulation for affected individuals, businesses, or other entities	None

Alternatives

Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.

Enter statement here: N/A. These regulations are required by §2.2-1208 and §2.2-1207

Public comment

Please summarize all comments received during public comment period following the publication of the NOIRA, and provide the agency response.

None

Commenter	Comment	Agency response

Family impact

Please assess the impact of the proposed regulatory action on the institution of the family and family stability.

Enter statement here: These regulations will not have any negative effects on the institution of the family or family stability. They will not erode the marital commitment and will not discourage economic self-sufficiency, self-pride or the assumption of family responsibility.

Detail of changes

Please detail all changes that are being proposed and the consequences of the proposed changes. Detail all new provisions and/or all changes to existing sections.

If the proposed regulation is intended to replace an emergency regulation, please list separately (1) all changes between the pre-emergency regulation and the proposed regulation, and (2) only changes made since the publication of the emergency regulation.

For changes to existing regulations, use this chart:

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change and rationale
30-10		§2.2-1208of the Code of Virginia requires DHRM to develop emergency regulations relating to long-term care coverage for state employees and terminated vested participants of the VRS	The proposed regulations incorporated §2.2-1207 of the Code of Virginia which includes long-term care coverage for local municipalities and school boards. Thus, additional definitions are necessary.
30-20		Incorporated provisions of §2.2-1208 into the emergency regulations	Incorporates provisions of §2.2-1207 into the proposed regulations
30-20		Lists employee classifications allowed under §2.2-1208	Lists employee classifications allowed under §2.2-1207
30-80		Defines eligible participants allowed under the plan as full-time state employees, state retirees and vested terminated participants of the Virginia Retirement System	Expands the eligibility for the plan to include part time faculty of the state. Additionally as required by §2.2-1207, incorporates both full and part-time employees of participating local employees as well as retirees of these participating employers.
30-90		Delineates enrollment parameters for full-time state employees, state retirees and vested terminated participants of the Virginia Retirement System.	Includes the enrollment criteria to include local employees. These provisions are intentionally flexible to give individual local employers the ability to adapted enrollment procedures to their own unique situations.

Enter any other statement here