



JOINT COMMISSION ON HEALTH CARE

SUMMARY OF PUBLIC COMMENTS

Analysis of Section 125 Plans and a Virginia Health Insurance Exchange

October 23, 2008

Keith D. Cheatham, Vice President of Government Affairs commented on behalf of the **Virginia Chamber of Commerce in support of Options 3 and 8**. Mr. Cheatham's letter indicated the following:

“Section 125 Plans can make purchasing health care more affordable by providing considerable tax savings to employers and employees. Of the nine policy options you present, we would **support Options 3 and 8**...The Virginia Chamber, a small business itself, has offered a Section 125 Plan for years, so we are well aware of its benefits and costs. It has been a positive experience for us and our employees.”

No additional public comments were received.

POLICY OPTIONS

Option 1: Take no action.

Option 2: Amend the *Code of Virginia* to mandate that employers offer a Section 125 Plan, if all of the following provisions are met:

- 11 or more full-time employees,
- Group health insurance is offered, and
- Employee pays some part of the health insurance premium.

Note: No requirement for employers to provide health insurance or contribute to plan premiums.

Option 3: Request by letter of the Chairman that the Department of Human Resources Management (DHRM) in consultation with the Department of Business Assistance (VDBA) create a:

- Brief electronic document that highlights Section 125 benefits to post on the VDBA website and on Virginia's business portal website.

Option 4: Request by letter of the Chairman that the Department of Human Resources Management in consultation with the Department of Business Assistance create a:

- Detailed electronic document that highlights Section 125 benefits; requirements for adoption; and COBRA, ERISA and HIPPA implications for posting on the VDBA website and on Virginia's business portal website.

Option 5: Request by letter of the Chairman that the Department of Human Resources Management in consultation with the Department of Business Assistance create a:

- Detailed electronic document that highlights Section 125 benefits; requirements for adoption; COBRA, ERISA, and HIPPA implications; and a simple Section 125 Plan form for posting on the VDBA website and on Virginia's business portal website.

Option 6: Amend the *Code of Virginia* to require that employers affirm on the Virginia Department of Taxation Form VA-6 that:

- Employer has a Section 125 Plan, or
- Employer has read the State-created document regarding Section 125 Plans.

Option 7: Request by letter of the Chairman that the State Corporation Commission consider and report to JCHC on including Section 125 Plan information on both the Health and the Life & Annuity & Health insurance examinations.

Option 8: Request by letter of the Chairman that the Virginia Chamber of Commerce inform its membership of Section 125 Plans and associated benefits through its newsletter.

Option 9: Request by letter of the Chairman that the National Federation of Independent Businesses/Virginia include Section 125 Plans as part of the Federation's Area Action Council meetings with small businesses.

Option 10: Include in the 2009 workplan, that JCHC convene a workgroup to compile information needed for an informational website on health insurers to be hosted by Virginia Health Information (VHI) with appropriate linkages on other state websites. The workgroup to develop the website should include:

- National Federation of Independent Businesses
 - Virginia Association of Health Plans
 - Virginia Association of Health Underwriters
 - Virginia Chamber of Commerce
 - Virginia Department of Health
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