



Administration of the Line of Duty Act

**Presentation to the Joint Subcommittee
Studying the Virginia Retirement System**

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Presentation Outline

- **Code Cites**
- **Key Provisions**
- **Statistics**
- **Issues**

Code Cites

■ Line of Duty Act

→ Code of Virginia § 9.1-400-406

■ Referenced Presumptions

→ § 27-40.1, Firefighters - respiratory, hypertension, heart disease

→ § 51.1-813, Police - hypertension, heart disease

→ § 65.2-402, Firefighters, Police, etal. - adds certain cancers

■ Tuition Waiver

→ § 23-7.4:1 B.

Key Provisions - Eligibility

- Law enforcement officers
- Corrections officers
- Sheriffs, Deputies
- Firefighters
- Rescue Squad Members
- National Guard
- Sworn ABC agents, Game Wardens, Forest Wardens, Marine Resource and Conservation Officers
- Hazardous Materials Officers and Response Team Members

Key Provisions - Death Benefits

- **\$75,000 payment** - deaths occurring as a direct or proximate result of the performance of duty
- **\$25,000 payment** - deaths from illnesses cited in presumption clauses arising out of the course of employment or within 5 years of retirement
- **Health insurance coverage** - continued coverage for surviving spouses and dependents
- **Tuition Waiver** - administered through individual state institutions of higher education based on Comptroller's eligibility determination

Key Provisions - Disability

- **Health insurance coverage** - continued coverage of the same plan entitled to on last day of employment for disabled persons, their spouses and dependents:
 - ➔ If disability occurred while in the line of duty as the direct or proximate performance of duty, or
 - ➔ If disability arose out of the course of employment under the presumptions, i.e., heart disease, respiratory disease, hypertension, certain cancers

Statistics - Death Claims

- **Direct and proximate - \$75,000 payment**

- FY 04 - 8 claims, \$600,000
- FY 03 - 4 claims, \$300,000
- FY 02 - 2 claims, \$150,000
- FY 01 - 1 claim, \$ 50,000

- **Presumption clause - \$25,000 payment**

- FY 04 - 4 claims, \$100,000
- FY 03 - 7 claims, \$175,000
- FY 02 - 5 claims, \$125,000
- FY 01 - 5 claims, \$125,000

Statistics - Health Insurance Claims Approved and Premium Payments through June 30, 2004

<u>Fiscal Year</u>	<u>New Claims</u>		<u>From Previous Year</u>		<u>Total Active</u>	
	<u>Count</u>	<u>Amount</u>	<u>Count</u>	<u>Amount</u>	<u>Count</u>	<u>Amount</u>
2004	78	\$733,811	139	\$816,172	217	\$1,549,983
2003	80	\$562,639	59	\$253,533	139	\$816,172
2002	45	\$212,736	14	\$40,797	59	\$253,533
2001	14	\$40,797	0	\$0	14	\$40,797

Statistics - Premiums to be Paid Prospectively for Claims Approved through June 30, 2004

State Plan

■ Through DHRM - 39 Claimants - \$312,624 per year

Local Plans

■ Virginia Beach - 29 Claimants - \$228,412 per year

■ Norfolk - 22 Claimants - \$155,489 per year

■ Henrico - 20 Claimants - \$154,752 per year

■ Alexandria - 12 Claimants - \$104,152 per year

■ Arlington - 12 Claimants - \$ 90,432 per year

■ Fairfax - 9 Claimants - \$ 85,075 per year

■ Prince William - 8 Claimants - \$ 75,104 per year

■ Suffolk - 6 Claimants - \$ 37,644 per year

■ Chesapeake - 6 Claimants - \$ 54,455 per year

■ 31 localities* - 49 Claimants - \$330,913 per year

*Fewer than 5 claimants each

Private Plans

■ 3 private plans - 5 claimants - \$ 35,995 per year

Issues - Death and Disability Eligibility Date Disparity

- “...on or after April 8, 1972...” - eligibility date for death claims (and spouses/dependents for health insurance)
- **July 1, 2000** - eligibility date for disability claims
- **Legislative proposals** - extending disability eligibility date to match death claim eligibility date.
Fiscal impact:
 - ➔ Estimated to adds 1,000-2,000 claimants at a cost of \$8-16 million per year prospectively
 - ➔ Estimated retroactive costs - \$20-40 million

Issues - Healthcare Eligibility Anomalies

Claimant or their spouse/beneficiaries are ineligible to participate in a state or local group health insurance plan.

Note: Previous study recommended DHRM establish a separate group pool for LOD health plan beneficiaries.

- Some locality health insurance programs require set number of years of service to be eligible for continued coverage. ex. Gloucester and James City require 15 year service.
- At least one locality health insurance program requires claimant to live in the county for coverage. ex. Gloucester
- Claimant and/or spouse/dependents did not participate in state or local health plan as of death/disability date
 - Spouse plan elected during employment
 - LOD eligible but not employed by government - coverage through private employer or no coverage
- Program prohibits coverage for dependent children born out of wedlock
- Claimants allow health insurance to lapse and/or go on spouse's plan prior to permanent disability declaration (e.g., VSDP LTD)

Issues - Healthcare Eligibility Anomalies

Claimant and/or spouse become eligible for Medicare by:

- Reaching 65 years old, or
- After 24 months on social security disability.

Note: All approved LOD claimants are mentally or physically “disabled” from duty, but not all approved LOD claimants are “disabled” for social security purposes.

→ Medicare Part B and/or Supplemental Plans - “continued coverage”, “same plan”

- Medicare Part A - No cost
- Medicare Part B - \$78.20 monthly cost is deducted from claimant’s social security payment.
- Supplemental Plan - \$244 monthly cost under state supplemental plan.

Issues - Other

- **Administrative costs of program will rise as the volume of approved health insurance claims rises.**

Contacting localities for:

- Current premiums and updated premiums (as rates change) to support locality billing information

As more claimants age, contacting claimants for:

- Medicare Part B premiums and/or Supplemental Insurance premiums paid.

- **Eligibility Issues**

- Off-duty heroic acts by sworn officers or unsworn eligibles resulting in death or disability.
- On-duty but violating state law or departmental policy at time of death or disability. Ref. (§65.2-306) Workers' Compensation Code exclusions.