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SENATE BILL NO. 741

Offered January 19, 2026

A BILL to amend and reenact § 9.1-401 of the Code of Virginia, relating to Line of Duty Act; transitional coverage.

Patrons—Hackworth; Delegate: Cornett

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:**1. That § 9.1-401 of the Code of Virginia is amended and reenacted as follows:****§ 9.1-401. Continued health insurance coverage for disabled persons, eligible spouses, and eligible dependents.**

A. Disabled persons, eligible spouses, and eligible dependents shall be afforded continued health insurance coverage as provided in this section, the cost of which shall be paid by the nonparticipating employer to the Department of Human Resource Management or from the Fund on behalf of a participating employer, contributing nonprofit private institution of higher education, or contributing private police department, as applicable. If any disabled person or eligible spouse is receiving the benefits described in this section and would otherwise qualify for the health insurance credit described in Chapter 14 (§ 51.1-1400 et seq.) of Title 51.1, the amount of such credit shall be deposited into the Line of Duty Death and Health Benefits Trust Fund or paid to the nonparticipating employer, as applicable, from the health insurance credit trust fund, in a manner prescribed by VRS.

B. 1. The continued health insurance coverage provided by this section for all disabled persons, eligible spouses, and eligible dependents shall be through separate plans, referred to as the LODA Health Benefits Plans (the Plans), administered by the Department of Human Resource Management. The Plans shall comply with all applicable federal and state laws and shall be modeled upon state employee health benefits program plans. Funding of the Plans' reserves and contingency shall be provided through a line of credit, the amount of which shall be based on an actuarially determined estimate of liabilities. The Department of Human Resource Management shall be reimbursed for health insurance premiums and all reasonable costs incurred and associated, directly and indirectly, in performing the duties pursuant to this section (i) from the Line of Duty Death and Health Benefits Trust Fund for costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses on behalf of participating employers, contributing nonprofit private institutions of higher education, and contributing private police departments and (ii) from a nonparticipating employer for premiums and costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses for which the nonparticipating employer is responsible. If any nonparticipating employer fails to remit such premiums and costs, the Department of Human Resource Management shall inform the State Comptroller and the affected nonparticipating employer of the delinquent amount. In calculating the delinquent amount, the Department of Human Resource Management may impose an interest rate of one percent per month of delinquency. The State Comptroller shall forthwith transfer such delinquent amount, plus interest, from any moneys otherwise distributable to such nonparticipating employer.

2. In the event that temporary health care insurance coverage is needed for disabled persons, eligible spouses, and eligible dependents during the period of transition into the LODA Health Benefits Plans, the Department of Human Resource Management is ~~authorized to~~ *shall* acquire and provide temporary transitional health insurance coverage. The type and source of the transitional health plans shall be within the sole discretion of the Department of Human Resource Management. Transitional coverage for eligible dependents shall comply with the eligibility criteria of the transitional plans until enrollment in the LODA Health Benefits Plan can be completed.

C. 1. a. Except as provided in subdivision 2 and any other law, continued health insurance coverage in any LODA Health Benefits Plans shall not be provided to any person (i) whose coverage under the Plan is based on a deceased person's death or a disabled person's disability occurring on or after July 1, 2017 and (ii) who is eligible for Medicare due to age.

b. Coverage in the LODA Health Benefits Plans shall also cease for any person upon his death.

2. The provisions of subdivision 1 a shall not apply to any disabled person who is eligible for Medicare due to disability under Social Security Disability Insurance or a Railroad Retirement Board Disability Annuity. The Department of Human Resource Management may provide such disabled person coverage under a LODA Health Benefits Plan that is separate from the plan for other persons.

3. Continued health insurance under this section shall also terminate upon the disabled person's return to full duty in any position listed in the definition of deceased person in § 9.1-400. Such disabled person shall promptly notify the participating or nonparticipating employer, the contributing nonprofit private institution

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59 of higher education, or the contributing private police department and VRS and the Department of Human
60 Resource Management upon his return to work.

61 4. Such continued health insurance shall be suspended for the Plan year following a calendar year in
62 which the disabled person whose coverage under the Plan is based on a disability occurring on or after July 1,
63 2017, has earned income in an amount equal to or greater than the salary of the position held by the disabled
64 person at the time of disability, indexed annually based upon the annual increases in the United States
65 Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of
66 Labor Statistics of the U.S. Department of Labor. Such suspension shall cease the Plan year following a
67 calendar year in which the disabled person has not earned such amount of income. The disabled person shall
68 notify the participating or nonparticipating employer, the contributing nonprofit private institution of higher
69 education, or the contributing private police department and VRS and the Department of Human Resource
70 Management no later than March 1 of the year following any year in which he earns income of such amount
71 and shall notify the participating or nonparticipating employer, the contributing nonprofit private institution
72 of higher education, or the contributing private police department and VRS and the Department of Human
73 Resource Management when he no longer is earning such amount. Upon request, a disabled person shall
74 provide VRS and the Department of Human Resource Management with documentation of earned income.