

# State Corporation Commission

## 2001 Fiscal Impact Statement

1. **Bill Number** HB2063

**House of Origin** ☒ Introduced ☐ Substitute ☐ Engrossed  
**Second House** ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** McQuigg

3. **Committee** Corporations, Insurance & Banking

4. **Title** Health insurance; breast cancer as a preexisting condition.

5. **Summary/Purpose:** The bill applies to insurers proposing to issue individual or group accident and sickness policies providing hospital, medical and surgical, or major medical coverage on an expense-incurred basis; corporations providing subscription contracts; and HMOs providing health care plans. No insurer can deny issuing or renewing health insurance coverage, or cancel coverage, or include any exception or exclusion of benefits solely based on the insured having a high risk of breast cancer or the insured having had breast cancer, but has been cancer free for a minimum of five years. The high risk includes the insured having been diagnosed with a fibrocystic condition or a nonmalignant lesion that demonstrates a predisposition to breast cancer, or has a family history, or any combination of these factors, unless the condition is diagnosed through a biopsy that demonstrates the presence of breast cancer. The insured cannot be denied if he/she has been cancer free for a period of 5 years or more prior to the date of application. Benefits provided under such a policy, plan or contract shall be provided with duration limits, deductibles, coinsurance factors, and co-payments that are no less favorable than for physical illness generally. Insurers cannot deny coverage for routine follow up care and consider the cancer a pre-existing condition if the insured has been free of breast cancer for at least 60 days unless laboratory evidence of breast cancer is found during, or as a result of, follow up care. The bill applies to policies, contracts, or plans delivered, issued for delivery, reissued, extended or renewed or at any time when the any term of any policy, contract, or plan is changed or any premium adjustment is made. The bill does not apply to short-term travel, or accident-only policies, nor to short-term non-renewable policies of not more than 6 months' duration.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None

9. Specific agency or political subdivisions affected: State Corporation Commission  
Bureau of Insurance

10. Technical amendment necessary: The State Corporation Commission Bureau of Insurance offered technical comments to Delegate McQuigg on House Bill 2063. The Bureau believes that there is one provision of the bill that may inadvertently create a longer "lookback" for preexisting conditions period than is permitted by current law, which the Bureau did not believe was the intention of Delegate McQuigg. Section 38.2-3514.1 B currently limits an insurer to a maximum period of 12 months prior to the effective date of coverage to look back for preexisting conditions on individual accident and sickness insurance policies. House Bill 2063, however, on line 25, appears to suggest that the insurer would be permitted to look back five years in determining whether breast cancer was preexisting. The Bureau suggested that the bill be amended to recognize the shorter preexisting condition period under existing law as follows.

11. Other comments: The bill was reported out of CIB with a substitute (25-Y 0-N) on January 23. Another Fiscal Impact Statement will be prepared for the substitute.

**Date:** January 24, 2001

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