

**State Corporation Commission
2003 Fiscal Impact Statement**

1. Bill Number HB2601

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

2. Patron Bryant

3. Committee Passed Both Houses

4. Title Health maintenance organizations; powers.

5. Summary/Purpose: Revises the definition of copayment in Chapter 43 of Title 38.2 (Health Maintenance Organizations) to mean, "an amount an enrollee is required to pay in order to receive a specific health care service." Adds a definition of "deductible" to mean an amount an enrollee is required to pay out-of-pocket before the health care plan begins to pay the costs associated with health care services. Adds deductibles to the exception of copayments as being paid for by HMO plans. Gives HMOs the power to require a deductible or copayment, or both, from enrollees. The total deductible or deductibles for basic health care services per calendar or contract year must not exceed the maximum annual deductibles permissible pursuant to 26 U.S.C. 220 or any successor. If the federal program for the plans is terminated, the plan may offer plans with deductibles that do not exceed the deductibles from the last year of the federal program plus \$50 per calendar year afterward. The State Corporation Commission may consider if a plan's deductibles are reasonable and may use at least the following: (i) whether the deductibles will adversely affect accessibility for enrollees, (ii) whether that plan has demonstrated the ability to monitor and implement the deductible plans, and (iii) whether the plan's level of capitalization and financial condition are adequate. Requires that the evidence of coverage clearly state limits of "both" any deductible or copayment feature.

6. No Fiscal Impact on state agencies

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 : No

11. Other comments : The State Corporation Commission Bureau of Insurance worked with Delegate Bryant and interested parties to develop the language of House Bill 2601. Senate Bill 1195 is identical to House Bill 2601.

Date: 03/06/03/V. Tompkins

cc: Secretary of Health and Human Resources