

State Corporation Commission 2004 Fiscal Impact Statement

1. Bill Number HB1408

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

2. Patron Carrico

3. Committee Communicated to Senate

4. Title Accident and sickness insurance; claims experience.

5. Summary/Purpose: Requires group accident and sickness policies and health care plans that cover policyholders with an average of at least 100 individuals on business days in the preceding 12-month period to provide, after a request, a complete record of the policyholder's medical claim experience or medical costs under the policy contract or plan. The record must cover all claims from the lesser of (i) the time when the policy, contract, or plan was issued or issued for delivery; or (ii) the time when the policy, contract, or plan was last renewed, reissued or extended. The bill requires that, along with the record of medical claims experience or medical costs, the policyholder must receive a summary of medical claims or medical costs in the most recent 24-month period; a listing of the number of insureds, subscribers or enrollees for whom combined medical claims or medical costs exceed \$100,000 for the most recently available 12-month period and the preceding 12 months if not all ready provided; and information as to whether the enrollees are still enrolled. The policyholder and insurer can agree by contract to include amounts less than \$100,000. The bill also increases the number of days the record must be made available after request to 20 days, and requires the policyholder to request the record at least 45 days prior to renewal. The bill applies to health care plans, contracts delivered or issued for delivery, reissued or extended on or after January 1, 2005, or anytime when any term of the contract is changed or any premium adjustment is made. A second enactment clause makes the bill effective on January 1, 2005.

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: No

11. Other comments: The amendment in the nature of a substitute to HB 1408 limits the number of group policyholders to which the claims experience information on the group must be provided. Insurers will now only be required to be provided to groups of 100 or more instead of

to groups of 50 or more, as in the original version of HB 1408, and because information concerning individual claimants will only be required to be provided where the claims for that individual exceeded \$100,000 instead of the \$50,000 in the original bill.

Date: 02/18/04 / V. Tompkins

cc: Secretary of Commerce and Trade