

State Corporation Commission

2008 Fiscal Impact Statement

1. Bill Number: SB403

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

2. Patron: Puckett

3. Committee: Passed Both Houses

4. Title: **Ethics and fairness in carrier business practices; payment of claims for pharmacy benefits.**

5. Summary/Purpose: Adds a provision to the minimum fair business standards required for inclusion in contracts between health insurance carriers and health care providers. Senate Bill 403 requires any contract between an insurance carrier and its pharmacy benefits administrator or an insurance carrier and a participating pharmacy, or its contracting agent, which requires claims to be submitted electronically to the participating provider or its designee to make payments electronically provided such participating provider or designee agrees to accept claims details for such payments electronically. An electronic claim must be submitted in the form required by the insurance carrier and in compliance with 45 CFR Part 142, as amended, provided that the participating provider or designee agrees to accept claims details for the payments electronically, in compliance with 45 CFR Part 142, as amended, and provides accurate electronic funds transfer information to the carrier. The requirement applies to contracts between a carrier and its pharmacy benefits administrator or a carrier and a pharmacy, or its contracting agent, that are entered into, amended, extended or renewed on or after January 1, 2009.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

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

10. Technical amendment necessary: No

11. Other comments: The new provision contained in Senate Bill 403 will be a required contract provision in the contracts between insurance carriers and providers when applicable.

In the substitute to Senate Bill 403, the bill creates a new subsection in the Accident and Sickness Insurance Chapter of Title 38.2, 38.2-3407.9:03, removing the provisions from the Ethics and Fairness in Carrier Business Practices section (§ 38.2-3407.15).

Date: 02/25/08/ V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources