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**HOUSE BILL NO. 1377**

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the House Committee on Commerce and Labor  
on February 9, 2010)

(Patron Prior to Substitute—Delegate Sickles)

A *BILL* to amend the Code of Virginia by adding in Article 1 of Chapter 42 of Title 38.2 a section numbered 38.2-4229.2, relating to health services plans; effect of law of another state.

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Article 1 of Chapter 42 of Title 38.2 a section numbered 38.2-4229.2 as follows:**

§ 38.2-4229.2. *Hearings and investigations on effect of other state's law.*

A. *If another state enacts a law that requires a health services plan operating in the Commonwealth to provide a program or benefits for the residents of the other state, the Commission may conduct a proceeding to review and evaluate the impact of the law on the health services plan. The Commission shall direct the Commissioner to conduct an examination of the health service plan in accordance with Article 4 (§ 38.2-1317 et seq.) of Chapter 13 and report its findings to the Commission, including the impact on (i) surplus; (ii) premium rates for residents of the Commonwealth covered by policies issued or delivered either in the Commonwealth or in any other state; and (iii) solvency.*

B. *Based on the findings of the Commissioner, the Commission shall determine whether the impact on the health services plan is harmful to the interests of residents of the Commonwealth covered by policies issued or delivered either in the Commonwealth or in any other state.*

C. *If the Commission determines the program or benefits for the residents of another state have an impact on the health services plan that is harmful to the interests of residents of the Commonwealth covered by policies issued or delivered either in the Commonwealth or in any other state, the Commission shall issue an appropriate order to protect such residents of the Commonwealth. The order may include a prohibition on the health services plan subsidizing the program or benefits for the residents of another state through:*

1. *Premiums charged or otherwise allocable to residents of the Commonwealth covered by policies issued or delivered either in the Commonwealth or in any other state; or*

2. *The use of any earned surplus attributable to residents of the Commonwealth covered by policies issued or delivered either in the Commonwealth or in any other state.*

*The determination of premiums charged or otherwise allocable to residents of the Commonwealth and the determination of surplus attributable to residents of the Commonwealth in each case covered by policies issued or delivered either in the Commonwealth or in any other state shall be based upon the number of residents in the Commonwealth compared with the number of residents in other states covered by the policies of the health services plan.*