

State Corporation Commission 2012 Fiscal Impact Statement

1. Bill Number: SB522

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

2. Patron: Wagner

3. Committee: Commerce and Labor

4. Title: Group health insurance; small employers.

5. Summary: Group health insurance; small employers. Adds a definition of “enrolled employee” in §§ 38.2-3431 and 38.2-3551. The term “enrolled employee” is defined as “an eligible employee who is covered under a group health plan offered by his employer. The definition of small employer is revised in §§ 38.2-3431 and 38.2-3551 to not more than 50 “enrolled” employees, but at least 2 “enrolled “ employees.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

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 Bureau of Insurance advised the patron of Senate Bill 522 that Articles 4.1 and 5 of Chapter 34 of Title 38.2 implement the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and provide Virginia with enforcement authority as it relates to implementation of certain provisions of the federal act. The current definitions contained in § 38.2-3431 are consistent with the corresponding defined terms in HIPAA. The definition of “small employer” proposed in Senate Bill 522, which differs significantly from the definition in HIPAA, could result in a possible federal pre-emption of Virginia’s HIPAA law. Further, this definitional change could impact other provisions within Title 38.2 that may or may not have been intended, including removing a “small employer” from certain benefits and allowances.

Date: 01/29/12/V. Tompkins

cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources