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HOUSE BILL NO. 1664

Offered January 9, 2013

Prefiled January 7, 2013

A BILL to amend and reenact §§ 32.1-16, 32.1-137.2, and 32.1-321.1 of the Code of Virginia, §§ 38.2-4214, 38.2-4319, and 38.2-4509 of the Code of Virginia as they are currently effective and as they shall become effective, and § 63.2-206 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 3 of Title 38.2 sections numbered 38.2-316.1 and 38.2-326, relating to the participation of the Commonwealth in a state plan management partnership exchange; review and approval of health insurance premium rates.

Patrons—Hope, BaCote, Brink, Bulova, Dance, Filler-Corn, Herring, Hester, Howell, A.T., James, Keam, Kory, Krupicka, Lopez, McClellan, McQuinn, Morrissey, Plum, Scott, J.M., Sickles, Spruill, Surovell, Torian, Toscano, Tyler, Ward, Ware, O. and Watts

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 32.1-16, 32.1-137.2, and 32.1-321.1 of the Code of Virginia, §§ 38.2-4214, 38.2-4319, and 38.2-4509 of the Code of Virginia as they are currently effective and as they shall become effective, and § 63.2-206 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 3 of Title 38.2 sections numbered 38.2-316.1 and 38.2-326 as follows:

§ 32.1-16. State Department of Health.

A. There shall be a State Department of Health in the executive department responsible to the Secretary of Health and Human Resources. The Department shall be under the supervision and management of the State Health Commissioner. The Commissioner shall carry out his management and supervisory responsibilities in accordance with the policies, rules and regulations of the Board.

B. *In addition to other duties imposed upon the Department pursuant to this title, the Department shall assist in the establishment, operation, and plan management functions of a state plan management partnership exchange in the Commonwealth. The Department shall be compensated for expenses incurred in providing such services.*

§ 32.1-137.2. Certification of quality assurance; application; issuance; denial; renewal.

A. Every managed care health insurance plan licensee shall request a certificate of quality assurance with reference to its managed care health insurance plans simultaneously with filing an initial application to the Bureau of Insurance for licensure. If already licensed by the Bureau of Insurance, every managed care health insurance plan licensee may file an application for quality assurance certification with the Department of Health by December 1, 1998, and shall file an application for quality assurance certification with the Department of Health by December 1, 1999, in order to obtain its certificate of quality assurance by July 1, 2000.

On or before July 1, 2000, the State Health Commissioner shall certify to the Bureau of Insurance that a managed care health insurance plan licensee has been issued a certificate of quality assurance by providing the Bureau of Insurance with a copy of each certificate at the time of issuance.

Application for a certificate of quality assurance shall be made on a form prescribed by the Board and shall be accompanied by a fee based upon a percentage, not to exceed one-tenth of one percent, of the proportion of direct gross premium income on business done in this Commonwealth attributable to the operation of managed care health insurance plans in the preceding biennium, sufficient to cover reasonable costs for the administration of the quality assurance program. Such fee shall not exceed \$10,000 per licensee. Whenever the account of the program shows expenses for the past biennium to be more than ten percent greater or lesser than the funds collected, the Board shall revise the fees levied by it for certification so that the fees are sufficient, but not excessive, to cover expenses; provided that such fees shall not exceed the limits set forth in this section. *Until July 1, 2014, the Department may utilize such certification funds as are needed in fulfilling its responsibilities pursuant to subsection B of § 32.1-16.*

All applications, including those for renewal, shall require (i) a description of the geographic area to be served, with a map clearly delineating the boundaries of the service area or areas, (ii) a description of the complaint system required under § 32.1-137.6, (iii) a description of the procedures and programs established by the licensee to assure both availability and accessibility of adequate personnel and facilities and to assess the quality of health care services provided, and (iv) a list of the licensee's managed care health insurance plans.

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57 B. Every managed care health insurance plan licensee certified under this article shall renew its
58 certificate of quality assurance with the Commissioner biennially by July 1, subject to payment of the
59 fee.

60 C. The Commissioner shall periodically examine or review each applicant for certificate of quality
61 assurance or for renewal thereof.

62 No certificate of quality assurance may be issued or renewed unless a managed care health insurance
63 plan licensee has filed a completed application and made payment of a fee pursuant to subsection A of
64 this section and the Commissioner is satisfied, based upon his examination, that, to the extent
65 appropriate for the type of managed care health insurance plan under examination, the managed care
66 health insurance plan licensee has in place and complies with: (i) a complaint system for reasonable and
67 adequate procedures for the timely resolution of written complaints pursuant to § 32.1-137.6; (ii) a
68 reasonable and adequate system for assessing the satisfaction of its covered persons; (iii) a system to
69 provide for reasonable and adequate availability of and accessibility to health care services for its
70 covered persons; (iv) reasonable and adequate policies and procedures to encourage the appropriate
71 provision and use of preventive services for its covered persons; (v) reasonable and adequate standards
72 and procedures for credentialing and recredentialing the providers with whom it contracts; (vi)
73 reasonable and adequate procedures to inform its covered persons and providers of the managed care
74 health insurance plan licensee's policies and procedures; (vii) reasonable and adequate systems to assess,
75 measure, and improve the health status of covered persons, including outcome measures, (viii)
76 reasonable and adequate policies and procedures to ensure confidentiality of medical records and patient
77 information to permit effective and confidential patient care and quality review; (ix) reasonable, timely
78 and adequate requirements and standards pursuant to § 32.1-137.9; and (x) such other requirements as
79 the Board may establish by regulation consistent with this article.

80 Upon the issuance or reissuance of a certificate, the Commissioner shall provide a copy of such
81 certificate to the Bureau of Insurance.

82 D. Upon determining to deny a certificate, the Commissioner shall notify such applicant in writing
83 stating the reasons for the denial of a certificate. A copy of such notification of denial shall be provided
84 to the Bureau of Insurance. Appeals from a notification of denial shall be brought by a certificate
85 applicant pursuant to the process set forth in § 32.1-137.5.

86 E. The State Corporation Commission shall give notice to the Commissioner of its intention to issue
87 an order based upon a finding of insolvency, hazardous financial condition, or impairment of net worth
88 or surplus to policyholders or an order suspending or revoking the license of a managed care health
89 insurance plan licensee; and the Commissioner shall notify the Bureau of Insurance when he has
90 reasonable cause to believe that a recommendation for the suspension or revocation of a certificate of
91 quality assurance or the denial or nonrenewal of such a certificate may be made pursuant to this article.
92 Such notifications shall be privileged and confidential and shall not be subject to subpoena.

93 F. No certificate of quality assurance issued pursuant to this article may be transferred or assigned
94 without approval of the Commissioner.

95 **§ 32.1-321.1. Powers and duties of Department.**

96 The Department of Medical Assistance Services shall have the following powers and duties:

97 1. To investigate and refer for prosecution violations of applicable state and federal laws and
98 regulations pertaining to the application for and receipt of services or benefits;

99 2. To investigate and refer for civil recovery any debts owed to the medical assistance program or
100 funds paid for services or benefits as a result of violations of applicable state and federal laws and
101 regulations pertaining to the application for and receipt of services or benefits; ~~and~~

102 3. To cooperate with the federal government, other state agencies and the State Attorney General's
103 Office in the detection and deterrence of fraud by recipients of medical assistance or their agents; *and*

104 4. *To assist in the establishment and operation of a state plan management partnership exchange in*
105 *the Commonwealth by:*

106 *a. Entering into one or more agreements with the State Corporation Commission, the Department of*
107 *Health, or the Department of Social Services, which agreements shall provide for compensation of the*
108 *Department of Medical Assistance Services for expenses incurred in performing its obligations*
109 *thereunder;*

110 *b. Performing such other tasks relating to the establishment and operation of the exchange as are*
111 *provided in an agreement entered into pursuant to subdivision a or as are required in order to assist in*
112 *the establishment and operation of a state plan management partnership exchange in the*
113 *Commonwealth, that pertain to programs and functions of the Department of Medical Assistance*
114 *Services.*

115 **§ 38.2-316.1. Premium rates.**

116 The Commission shall review and approve accident and sickness insurance premium rates applicable
117 to (i) health benefit plans issued in the Commonwealth in the individual and small group markets, as
118 those terms are defined in § 38.2-3431, and (ii) health benefit plans providing health insurance

coverage, as defined in § 38.2-3431, in the individual market to residents of the Commonwealth through a group trust, association, purchasing cooperative, or other group that is not an employer plan. The Commission shall promulgate regulations to establish standards applicable to such review and approval.

§ 38.2-326. Establishment of a state plan management partnership exchange; performance of plan management functions.

A. In order to ensure that (i) a state plan management partnership exchange is established for the Commonwealth during the period preceding the establishment of a state-based health benefits exchange for the Commonwealth and (ii) the Commonwealth will have primary responsibility for the plan management functions of the state plan management partnership exchange, the Commission shall contract with and enter into memoranda of understanding with the U.S. Department of Health and Human Services or any other state or federal agency as may be required in order to establish a state plan management partnership exchange for the Commonwealth.

B. The Commission, with the assistance of the Virginia Department of Health, shall perform any plan management functions for a state plan management partnership exchange established pursuant to subsection A. The Commission's performance of plan management functions shall be consistent with guidelines developed by the Secretary of the U.S. Department of Health and Human Services providing for the support of a state plan management partnership exchange for the Commonwealth. The Commission's obligation to perform such functions shall be subject to: (i) the availability of full funding; (ii) the availability of technology infrastructure, including integration with federal, state, and other necessary entities, to the Commission by or through the U.S. Department of Health and Human Services or the Virginia Secretary of Health and Human Resources in order for it to carry out the plan management functions authorized in this section; and (iii) the absence of other impediments that effectively prevent the Commission from performing any required plan management functions.

C. The Commission's obligation to perform plan management functions described in subsection A is contingent upon receiving a general fund appropriation sufficient to pay the operating expenses necessary to carry out the plan management functions. The Commission shall seek full reimbursement from the U.S. Department of Health and Human Services for such expenses. By June 30 of each year, the Commission shall reimburse the general fund the amount of reimbursement received from the U.S. Department of Health and Human Services and described in this subsection.

D. The Commission shall not use any special fund revenues dedicated to its other functions and duties, including, but not limited to, revenues from utility consumer taxes or fees from licensees or registrants regulated by the Commission or fees paid to the Clerk's Office, to fund the plan management functions.

E. Technology resources provided by the Commission in carrying out the plan management functions shall be limited to existing Commission technology support functions such as desktop support, network administration support, web services support, or other similar support functions.

F. The Commission shall make available to the public on its website a written report on the implementation and performance of its plan management functions during the preceding fiscal year, including, at a minimum, the manner in which all funds utilized for its plan management functions were expended.

§ 38.2-4214. (Effective until July 1, 2014) Application of certain provisions of law.

No provision of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-218 through 38.2-225, 38.2-230, 38.2-232, 38.2-305, 38.2-316, 38.2-316.1, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, 38.2-700 through 38.2-705, 38.2-900 through 38.2-904, 38.2-1017, 38.2-1018, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1 (§ 38.2-1300 et seq.) and 2 (§ 38.2-1306.2 et seq.) of Chapter 13, §§ 38.2-1312, 38.2-1314, 38.2-1315.1, 38.2-1317 through 38.2-1328, 38.2-1334, 38.2-1340, 38.2-1400 through 38.2-1444, 38.2-1800 through 38.2-1836, 38.2-3400, 38.2-3401, 38.2-3404, 38.2-3405, 38.2-3405.1, 38.2-3406.1, 38.2-3406.2, 38.2-3407.1 through 38.2-3407.6:1, 38.2-3407.9 through 38.2-3407.18, 38.2-3409, 38.2-3411 through 38.2-3419.1, 38.2-3430.1 through 38.2-3446, 38.2-3501, 38.2-3502, subdivision 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, §§ 38.2-3516 through 38.2-3520 as they apply to Medicare supplement policies, §§ 38.2-3522.1 through 38.2-3523.4, 38.2-3525, 38.2-3540.1, 38.2-3541 through 38.2-3542, 38.2-3543.2, Article 5 (§ 38.2-3551 et seq.) of Chapter 35, Chapter 35.1 (§ 38.2-3556 et seq.), §§ 38.2-3600 through 38.2-3607, Chapter 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), and Chapter 58 (§ 38.2-5800 et seq.) of this title shall apply to the operation of a plan.

§ 38.2-4214. (Effective July 1, 2014) Application of certain provisions of law.

No provision of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-218 through 38.2-225, 38.2-230, 38.2-232, 38.2-305, 38.2-316, 38.2-316.1, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, 38.2-700 through 38.2-705, 38.2-900 through 38.2-904,

180 38.2-1017, 38.2-1018, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1 (§ 38.2-1300 et seq.) and 2
181 (§ 38.2-1306.2 et seq.) of Chapter 13, §§ 38.2-1312, 38.2-1314, 38.2-1315.1, 38.2-1317 through
182 38.2-1328, 38.2-1334, 38.2-1340, 38.2-1400 through 38.2-1444, 38.2-1800 through 38.2-1836,
183 38.2-3400, 38.2-3401, 38.2-3404, 38.2-3405, 38.2-3405.1, 38.2-3406.1, 38.2-3406.2, 38.2-3407.1 through
184 38.2-3407.6:1, 38.2-3407.9 through 38.2-3407.18, 38.2-3409, 38.2-3411 through 38.2-3419.1,
185 38.2-3430.1 through 38.2-3437, 38.2-3501, 38.2-3502, subdivision 13 of § 38.2-3503, subdivision 8 of
186 § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, §§ 38.2-3516 through 38.2-3520 as they apply to Medicare
187 supplement policies, §§ 38.2-3522.1 through 38.2-3523.4, 38.2-3525, 38.2-3540.1, 38.2-3541,
188 38.2-3541.1, 38.2-3541.2, 38.2-3542, 38.2-3543.2, Article 5 (§ 38.2-3551 et seq.) of Chapter 35,
189 §§ 38.2-3600 through 38.2-3607, Chapter 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.),
190 Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 of this title shall apply to the operation of a plan.

191 **§ 38.2-4319. (Effective until July 1, 2014) Statutory construction and relationship to other laws.**

192 A. No provisions of this title except this chapter and, insofar as they are not inconsistent with this
193 chapter, §§ 38.2-100, 38.2-136, 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-216, 38.2-218
194 through 38.2-225, 38.2-229, 38.2-232, 38.2-305, 38.2-316, 38.2-316.1, 38.2-322, 38.2-400, 38.2-402
195 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, Chapter 9 (§ 38.2-900 et seq.),
196 §§ 38.2-1016.1 through 38.2-1023, 38.2-1057, 38.2-1306.1, Article 2 (§ 38.2-1306.2 et seq.),
197 § 38.2-1315.1, Articles 3.1 (§ 38.2-1316.1 et seq.), 4 (§ 38.2-1317 et seq.) and 5 (§ 38.2-1322 et seq.) of
198 Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et seq.) of Chapter 14, §§ 38.2-1800
199 through 38.2-1836, 38.2-3401, 38.2-3405, 38.2-3405.1, 38.2-3406.1, 38.2-3407.2 through 38.2-3407.6:1,
200 38.2-3407.9 through 38.2-3407.18, 38.2-3411.2, 38.2-3411.3, 38.2-3411.4, 38.2-3412.1:01, 38.2-3414.1,
201 38.2-3418.1 through 38.2-3418.17, 38.2-3419.1, 38.2-3430.1 through 38.2-3446, 38.2-3500, subdivision
202 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, 38.2-3522.1 through
203 38.2-3523.4, 38.2-3525, 38.2-3540.1, 38.2-3540.2, 38.2-3541.1, 38.2-3541.2, 38.2-3542, 38.2-3543.2,
204 Article 5 (§ 38.2-3551 et seq.) of Chapter 35, Chapter 35.1 (§ 38.2-3556 et seq.), Chapter 52 (§
205 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), and Chapter 58 (§ 38.2-5800 et seq.) shall be
206 applicable to any health maintenance organization granted a license under this chapter. This chapter shall
207 not apply to an insurer or health services plan licensed and regulated in conformance with the insurance
208 laws or Chapter 42 (§ 38.2-4200 et seq.) except with respect to the activities of its health maintenance
209 organization.

210 B. For plans administered by the Department of Medical Assistance Services that provide benefits
211 pursuant to Title XIX or Title XXI of the Social Security Act, as amended, no provisions of this title
212 except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-100, 38.2-136,
213 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-216, 38.2-218 through 38.2-225, 38.2-229,
214 38.2-232, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through
215 38.2-620, Chapter 9 (§ 38.2-900 et seq.), §§ 38.2-1016.1 through 38.2-1023, 38.2-1057, 38.2-1306.1,
216 Article 2 (§ 38.2-1306.2 et seq.), § 38.2-1315.1, Articles 3.1 (§ 38.2-1316.1 et seq.), 4 (§ 38.2-1317 et
217 seq.) and 5 (§ 38.2-1322 et seq.) of Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et
218 seq.) of Chapter 14, §§ 38.2-3401, 38.2-3405, 38.2-3407.2 through 38.2-3407.5, 38.2-3407.6 and
219 38.2-3407.6:1, 38.2-3407.9, 38.2-3407.9:01, and 38.2-3407.9:02, subdivisions F 1, F 2, and F 3 of
220 § 38.2-3407.10, §§ 38.2-3407.11, 38.2-3407.11:3, 38.2-3407.13, 38.2-3407.13:1, 38.2-3407.14,
221 38.2-3411.2, 38.2-3418.1, 38.2-3418.2, 38.2-3419.1, 38.2-3430.1 through 38.2-3437, 38.2-3500,
222 subdivision 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, 38.2-3522.1
223 through 38.2-3523.4, 38.2-3525, 38.2-3540.1, 38.2-3540.2, 38.2-3541.2, 38.2-3542, 38.2-3543.2, Chapter
224 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), and Chapter 58 (§ 38.2-5800 et seq.) shall
225 be applicable to any health maintenance organization granted a license under this chapter. This chapter
226 shall not apply to an insurer or health services plan licensed and regulated in conformance with the
227 insurance laws or Chapter 42 (§ 38.2-4200 et seq.) except with respect to the activities of its health
228 maintenance organization.

229 C. Solicitation of enrollees by a licensed health maintenance organization or by its representatives
230 shall not be construed to violate any provisions of law relating to solicitation or advertising by health
231 professionals.

232 D. A licensed health maintenance organization shall not be deemed to be engaged in the unlawful
233 practice of medicine. All health care providers associated with a health maintenance organization shall
234 be subject to all provisions of law.

235 E. Notwithstanding the definition of an eligible employee as set forth in § 38.2-3431, a health
236 maintenance organization providing health care plans pursuant to § 38.2-3431 shall not be required to
237 offer coverage to or accept applications from an employee who does not reside within the health
238 maintenance organization's service area.

239 F. For purposes of applying this section, "insurer" when used in a section cited in subsections A and
240 B shall be construed to mean and include "health maintenance organizations" unless the section cited
241 clearly applies to health maintenance organizations without such construction.

§ 38.2-4319. (Effective July 1, 2014) Statutory construction and relationship to other laws.

A. No provisions of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-100, 38.2-136, 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-216, 38.2-218 through 38.2-225, 38.2-229, 38.2-232, 38.2-305, 38.2-316, 38.2-316.1, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, Chapter 9 (§ 38.2-900 et seq.), §§ 38.2-1016.1 through 38.2-1023, 38.2-1057, 38.2-1306.1, Article 2 (§ 38.2-1306.2 et seq.), § 38.2-1315.1, Articles 3.1 (§ 38.2-1316.1 et seq.), 4 (§ 38.2-1317 et seq.), and 5 (§ 38.2-1322 et seq.) of Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et seq.) of Chapter 14, §§ 38.2-1800 through 38.2-1836, 38.2-3401, 38.2-3405, 38.2-3405.1, 38.2-3406.1, 38.2-3407.2 through 38.2-3407.6:1, 38.2-3407.9 through 38.2-3407.18, 38.2-3411.2, 38.2-3411.3, 38.2-3411.4, 38.2-3412.1:01, 38.2-3414.1, 38.2-3418.1 through 38.2-3418.17, 38.2-3419.1, 38.2-3430.1 through 38.2-3437, 38.2-3500, subdivision 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, 38.2-3522.1 through 38.2-3523.4, 38.2-3525, 38.2-3540.1, 38.2-3540.2, 38.2-3541.1, 38.2-3541.2, 38.2-3542, 38.2-3543.2, Article 5 (§ 38.2-3551 et seq.) of Chapter 35, Chapter 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 shall be applicable to any health maintenance organization granted a license under this chapter. This chapter shall not apply to an insurer or health services plan licensed and regulated in conformance with the insurance laws or Chapter 42 (§ 38.2-4200 et seq.) except with respect to the activities of its health maintenance organization.

B. For plans administered by the Department of Medical Assistance Services that provide benefits pursuant to Title XIX or Title XXI of the Social Security Act, as amended, no provisions of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-100, 38.2-136, 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-216, 38.2-218 through 38.2-225, 38.2-229, 38.2-232, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, Chapter 9 (§ 38.2-900 et seq.), §§ 38.2-1016.1 through 38.2-1023, 38.2-1057, 38.2-1306.1, Article 2 (§ 38.2-1306.2 et seq.), § 38.2-1315.1, Articles 3.1 (§ 38.2-1316.1 et seq.), 4 (§ 38.2-1317 et seq.), and 5 (§ 38.2-1322 et seq.) of Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et seq.) of Chapter 14, §§ 38.2-3401, 38.2-3405, 38.2-3407.2 through 38.2-3407.5, 38.2-3407.6, 38.2-3407.6:1, 38.2-3407.9, 38.2-3407.9:01, and 38.2-3407.9:02, subdivisions F 1, F 2, and F 3 of § 38.2-3407.10, §§ 38.2-3407.11, 38.2-3407.11:3, 38.2-3407.13, 38.2-3407.13:1, 38.2-3407.14, 38.2-3411.2, 38.2-3418.1, 38.2-3418.2, 38.2-3419.1, 38.2-3430.1 through 38.2-3437, 38.2-3500, subdivision 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, 38.2-3522.1 through 38.2-3523.4, 38.2-3525, 38.2-3540.1, 38.2-3540.2, 38.2-3541.2, 38.2-3542, 38.2-3543.2, Chapter 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 shall be applicable to any health maintenance organization granted a license under this chapter. This chapter shall not apply to an insurer or health services plan licensed and regulated in conformance with the insurance laws or Chapter 42 (§ 38.2-4200 et seq.) except with respect to the activities of its health maintenance organization.

C. Solicitation of enrollees by a licensed health maintenance organization or by its representatives shall not be construed to violate any provisions of law relating to solicitation or advertising by health professionals.

D. A licensed health maintenance organization shall not be deemed to be engaged in the unlawful practice of medicine. All health care providers associated with a health maintenance organization shall be subject to all provisions of law.

E. Notwithstanding the definition of an eligible employee as set forth in § 38.2-3431, a health maintenance organization providing health care plans pursuant to § 38.2-3431 shall not be required to offer coverage to or accept applications from an employee who does not reside within the health maintenance organization's service area.

F. For purposes of applying this section, "insurer" when used in a section cited in subsections A and B shall be construed to mean and include "health maintenance organizations" unless the section cited clearly applies to health maintenance organizations without such construction.

§ 38.2-4509. (Effective until July 1, 2014) Application of certain laws.

A. No provision of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-218 through 38.2-225, 38.2-229, 38.2-316, 38.2-316.1, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, 38.2-900 through 38.2-904, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1 (§ 38.2-1300 et seq.) and 2 (§ 38.2-1306.2 et seq.) of Chapter 13, §§ 38.2-1312, 38.2-1314, 38.2-1315.1, Article 4 (§ 38.2-1317 et seq.) of Chapter 13, §§ 38.2-1400 through 38.2-1444, 38.2-1800 through 38.2-1836, 38.2-3401, 38.2-3404, 38.2-3405, 38.2-3407.10, 38.2-3407.13, 38.2-3407.14, 38.2-3407.15, 38.2-3407.17, 38.2-3415, 38.2-3541, Article 5 (§ 38.2-3551 et seq.) of Chapter 35, §§ 38.2-3600 through 38.2-3603, Chapter 55 (§ 38.2-5500 et seq.), and Chapter 58 (§ 38.2-5800 et seq.) of this title shall apply to the operation of a plan.

303 B. The provisions of subsection A of § 38.2-322 shall apply to an optometric services plan. The
304 provisions of subsection C of § 38.2-322 shall apply to a dental services plan.

305 C. The provisions of Article 1.2 (§ 32.1-137.7 et seq.) of Chapter 5 of Title 32.1 shall not apply to
306 either an optometric or dental services plan.

307 **§ 38.2-4509. (Effective July 1, 2014) Application of certain laws.**

308 A. No provision of this title except this chapter and, insofar as they are not inconsistent with this
309 chapter, §§ 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-218 through 38.2-225, 38.2-229,
310 38.2-316, 38.2-316.1, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600
311 through 38.2-620, 38.2-900 through 38.2-904, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1
312 (§ 38.2-1300 et seq.) and 2 (§ 38.2-1306.2 et seq.) of Chapter 13, §§ 38.2-1312, 38.2-1314, 38.2-1315.1,
313 Article 4 (§ 38.2-1317 et seq.) of Chapter 13, §§ 38.2-1400 through 38.2-1444, 38.2-1800 through
314 38.2-1836, 38.2-3401, 38.2-3404, 38.2-3405, 38.2-3407.10, 38.2-3407.13, 38.2-3407.14, 38.2-3407.15,
315 38.2-3407.17, 38.2-3415, 38.2-3541, Article 5 (§ 38.2-3551 et seq.) of Chapter 35, §§ 38.2-3600 through
316 38.2-3603, Chapter 55 (§ 38.2-5500 et seq.), Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 of this
317 title shall apply to the operation of a plan.

318 B. The provisions of subsection A of § 38.2-322 shall apply to an optometric services plan. The
319 provisions of subsection C of § 38.2-322 shall apply to a dental services plan.

320 C. The provisions of Article 1.2 (§ 32.1-137.7 et seq.) of Chapter 5 of Title 32.1 shall not apply to
321 either an optometric or dental services plan.

322 **§ 63.2-206. Cooperation with federal agencies.**

323 A. The Commissioner shall cooperate with the Department of Health and Human Services and other
324 agencies of the United States and with the local boards, in relation to matters set forth in this title, and
325 in any reasonable manner that may be necessary for this Commonwealth to qualify for and to receive
326 grants or aid from such federal agencies for public assistance and services in conformity with the
327 provisions of this title, including grants or aid to assist in providing rehabilitation and other services to
328 help individuals to attain or retain capability for self-care or self-support and such services as are likely
329 to prevent or reduce dependency and, in the case of dependent children, to maintain and strengthen
330 family life. The Commissioner shall make such reports in such form and containing information as such
331 agencies of the United States may require and shall comply with such provisions as such agencies
332 require to assure the correctness and verification of such reports.

333 B. *In addition to other duties imposed upon the Department pursuant to this title, the Department*
334 *shall assist in the establishment and operation of a state plan management partnership exchange in the*
335 *Commonwealth by:*

336 1. *Entering into one or more agreements with the State Corporation Commission, the Department of*
337 *Medical Assistance Services, or the Department of Health, which agreements shall provide for*
338 *compensation of the Department for expenses incurred in performing its obligations thereunder; and*

339 2. *Performing such other tasks relating to the establishment and operation of the exchange as are*
340 *provided in an agreement entered into pursuant to subdivision 1 or as are required in order to assist in*
341 *the establishment and operation of a state plan management partnership exchange in the*
342 *Commonwealth, that pertain to programs and functions of the Department.*

343 **2. That an emergency exists and this act is in force from its passage.**