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## HOUSE BILL NO. 1769

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
 (Proposed by the House Committee on Commerce and Labor)  
 (Patron Prior to Substitute—Delegate Kilgore)  
 House Amendments in [ ] — February 4, 2013

A *BILL to amend and reenact §§ 32.1-16 and 32.1-137.2 of the Code of Virginia and §§ 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 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 powers of the State Corporation Commission to perform plan management functions for participation in a federally facilitated health benefit exchange; review and approval of health insurance premium rates.*

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

1. That §§ 32.1-16 and 32.1-137.2 of the Code of Virginia and §§ 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, 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 on the Department pursuant to this title, the Department shall assist in the plan management functions of a federally facilitated health benefit exchange in the Commonwealth, including providing assistance to the State Corporation Commission in its performance of plan management functions as set forth in § 38.2-326. 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.

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

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

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

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

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

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

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

92 **§ 38.2-316.1. Premium rates.**

93 *The Commission shall review and approve accident and sickness insurance premium rates applicable*  
94 *to (i) health benefit plans issued in this Commonwealth in the individual and small group markets, as*  
95 *those terms are defined in § 38.2-3431, and (ii) health benefit plans providing health insurance*  
96 *coverage, as defined in § 38.2-3431, in the individual market to residents of the Commonwealth through*  
97 *a group trust, association, purchasing cooperative, or other group that is not an employer plan. The*  
98 *Commission shall promulgate regulations to establish standards applicable to such review and approval.*

99 **§ 38.2-326. Plan management functions.**

100 A. *The Commission, with the assistance of the Virginia Department of Health, shall perform plan*  
101 *management functions required to certify health benefit plans and stand-alone dental plans for*  
102 *participation in a federally facilitated health benefit exchange in Virginia, provided that: (i) full funding*  
103 *is available; (ii) the technology infrastructure, including integration with federal, state, and other*  
104 *necessary entities, is made available to the Commission by or through the U.S. Department of Health*  
105 *and Human Services or the Virginia Secretary of Health and Human Resources in order for it to carry*  
106 *out the plan management functions authorized in this section; and (iii) there are no other impediments*  
107 *that effectively prevent the Commission from performing any required plan management functions. For*  
108 *purposes of this section, "plan management functions" means analyses and reviews necessary to support*  
109 *the certification, decertification, and recertification of qualified health plans and stand-alone dental*  
110 *plans for the federally facilitated health benefit exchange, and the collection of data necessary to*  
111 *perform the above functions.*

112 B. *The Commission may contract with and enter into memoranda of understanding to carry out its*  
113 *plan management functions with the U.S. Department of Health and Human Services or any other state*  
114 *or federal agency.*

115 C. *The Commission's obligation to perform plan management functions described in subsection A is*  
116 *contingent upon receiving federal funding sufficient to pay the operating expenses necessary to carry out*  
117 *the plan management functions. The Commission shall seek full reimbursement from the U.S.*  
118 *Department of Health and Human Services for such expenses.*

119 D. *The Commission shall not use any special fund revenues dedicated to its other functions and*  
120 *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, 38.2-326, 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, 38.2-326, 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 38.2-3437, 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, 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, §§ 38.2-3600 through 38.2-3607, 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 of this title shall apply to the operation of a plan.

**§ 38.2-4319. (Effective until 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, 38.2-326, 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 38.2-3446, 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 35.1 (§ 38.2-3556 et seq.), Chapter 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), and Chapter 58 (§ 38.2-5800 et seq.) 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

182 pursuant to Title XIX or Title XXI of the Social Security Act, as amended, no provisions of this title  
 183 except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-100, 38.2-136,  
 184 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,  
 185 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  
 186 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,  
 187 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  
 188 seq.) and 5 (§ 38.2-1322 et seq.) of Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et  
 189 seq.) of Chapter 14, §§ 38.2-3401, 38.2-3405, 38.2-3407.2 through 38.2-3407.5, 38.2-3407.6 and  
 190 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  
 191 § 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,  
 192 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,  
 193 subdivision 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, 38.2-3522.1  
 194 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  
 195 52 (§ 38.2-5200 et seq.), Chapter 55 (§ 38.2-5500 et seq.), and Chapter 58 (§ 38.2-5800 et seq.) shall be  
 196 applicable to any health maintenance organization granted a license under this chapter. This chapter shall  
 197 not apply to an insurer or health services plan licensed and regulated in conformance with the insurance  
 198 laws or Chapter 42 (§ 38.2-4200 et seq.) except with respect to the activities of its health maintenance  
 199 organization.

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

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

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

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

213 **§ 38.2-4319. (Effective July 1, 2014) Statutory construction and relationship to other laws.**

214 A. No provisions of this title except this chapter and, insofar as they are not inconsistent with this  
 215 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  
 216 through 38.2-225, 38.2-229, 38.2-232, 38.2-305, 38.2-316, 38.2-316.1, 38.2-322, 38.2-326, 38.2-400,  
 217 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, Chapter 9  
 218 (§ 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  
 219 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  
 220 et seq.) of Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et seq.) of Chapter 14,  
 221 §§ 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  
 222 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,  
 223 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,  
 224 subdivision 13 of § 38.2-3503, subdivision 8 of § 38.2-3504, §§ 38.2-3514.1, 38.2-3514.2, 38.2-3522.1  
 225 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,  
 226 38.2-3543.2, Article 5 (§ 38.2-3551 et seq.) of Chapter 35, Chapter 52 (§ 38.2-5200 et seq.), Chapter 55  
 227 (§ 38.2-5500 et seq.), Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 shall be applicable to any health  
 228 maintenance organization granted a license under this chapter. This chapter shall not apply to an insurer  
 229 or health services plan licensed and regulated in conformance with the insurance laws or Chapter 42  
 230 (§ 38.2-4200 et seq.) except with respect to the activities of its health maintenance organization.

231 B. For plans administered by the Department of Medical Assistance Services that provide benefits  
 232 pursuant to Title XIX or Title XXI of the Social Security Act, as amended, no provisions of this title  
 233 except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-100, 38.2-136,  
 234 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,  
 235 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  
 236 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,  
 237 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  
 238 seq.), and 5 (§ 38.2-1322 et seq.) of Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et  
 239 seq.) of Chapter 14, §§ 38.2-3401, 38.2-3405, 38.2-3407.2 through 38.2-3407.5, 38.2-3407.6,  
 240 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  
 241 § 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,  
 242 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,  
 243 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, 38.2-326, 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.

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

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

**§ 38.2-4509. (Effective 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, 38.2-326, 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.), Chapter 58 (§ 38.2-5800 et seq.) and § 38.2-5903 of this title shall apply to the operation of a plan.

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

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

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