

State Corporation Commission

2014 Fiscal Impact Statement

1. Bill Number: HB1147

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

2. Patron: Farrell

3. Committee: Commerce and Labor

4. Title: Health insurance; offering plans.

5. Summary: Health insurance; offering plans. Notwithstanding any other provision of Virginia law, insurance companies shall be allowed to continue to offer health insurance plans in all product markets that were in effect at any time during 2012 and 2013.

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: On November 14, 2013, President Obama announced the suspension of enforcement of certain provisions of the Affordable Care Act (ACA) in order to allow carriers to offer renewals and re-enrollments in plans that would otherwise be terminated or cancelled because they were non-ACA compliant. Such plan renewals must occur between January 1, 2014, and October 1, 2014. The SCC announced that it was unclear whether Virginia law would allow such extensions. In order to give consumers the options provided by the President's suspension to the full extent allowed by current Virginia law, the State Corporation Commission Bureau of Insurance encouraged carriers to offer early renewals in 2013 of existing insurance plans in the individual and small business group market so those plans could remain in effect with coverage extending through the end of 2014. House Bill 1147 would provide for any plan that was in effect at any time during 2012 or 2013 to be newly issued and remain available for renewal or issue without any time limit.

There are two similar though not identical bills to House Bill 1147, House Bill 236 and Senate Bill 477. Senate Bill 477 has been stricken at the request of its patron.

Date: 02/11/14/V. Tompkins

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

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STATEMENT OF THE VIRGINIA BUREAU OF INSURANCE REGARDING EXTENSION OF INDIVIDUAL AND SMALL GROUP HEALTH INSURANCE PLANS

RICHMOND – Following Thursday's announcement by President Obama, the State Corporation Commission's Bureau of Insurance undertook a legal and regulatory analysis of the President's proposal.

The President proposed suspending enforcement of certain provisions of the Affordable Care Act (ACA) and urged state insurance regulators to allow carriers to offer renewal of certain non-ACA compliant health insurance plans that could remain in effect up to October 1, 2015.

Upon an analysis of Virginia state insurance laws which incorporated the provisions of the ACA effective January 1, 2014, it is unclear whether the Bureau has the authority under Virginia law to implement the President's recommendation. What is clear is that Virginia insurance law does permit the Bureau of Insurance to allow carriers to offer early renewal of existing insurance plans in the individual and small business group markets so that policyholders may continue existing coverage into 2014.

Some of Virginia's carriers have already offered policyholders in those markets the option to extend their 2013 coverage into 2014. The Bureau of Insurance encourages those carriers to reoffer this option with coverage extending through the end of 2014. The Bureau of Insurance also encourages any carriers who have not offered an option to extend coverage through the end of 2014 to make such extensions available.

Policyholders should evaluate any renewal option offered in addition to the various options available for health insurance coverage in 2014.

The Bureau of Insurance will expedite approval of associated policy form and rate revisions necessary to allow the renewals.