

# State Corporation Commission

## 2014 Fiscal Impact Statement

**1. Bill Number:** HB770

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

**2. Patron:** Hugo

**3. Committee:** Commerce and Labor

**4. Title:** Health benefit exchange navigators; reputation; background checks.

**5. Summary:** Health benefit exchange navigators; reputation; background checks. Adds language that would require Navigators operating in the Commonwealth to provide information regarding their character and reputation for honesty which includes the same information required for agent license candidates. This includes the requirement for a background check. Requires the Commission to apply the same criteria in making a determination regarding the character and reputation for honesty of a Navigator that it currently uses for agents.

**6. Budget amendment necessary:** No

**7. Fiscal Impact Estimates:** Fiscal Impact Estimates are Preliminary. See Item 8 below.

**8. Fiscal implications:** The Bureau of Insurance will attempt to regulate navigators with existing staff, but it may result in some increased resource needs for the Bureau. The Bureau has budgeted for one additional position in anticipation of assuming this responsibility. There will also be adjustments to the Bureau's computer systems and the Bureau's website to allow for the process of regulating navigators; cost for the enhancements is not available, but is expected to be minimal.

**9. Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance

**10. Technical amendment necessary:** No

**11. Other comments:** The State Corporation Commission Bureau of Insurance recommended that the regulatory process outlined in House Bill 770 for navigators be a registration process due to the limited nature of oversight of navigators proposed in the bill. Further, there is no provision for charging a fee for the regulation of navigators. Entities regulated by the Commission pay fees to cover the expense of their regulation, and the Bureau would recommend adding a fee provision. The following language was offered to address both issues:

***Application for registration.***

*A. On or after January 1, 2015, no individual or entity shall act as a navigator in the Commonwealth unless such individual or entity has been certified by the U.S. Department of Health and Human Services and registered with the Commission.*

*B. An application for registration under this article shall be in the form and containing the information the Commission prescribes. Each applicant shall, at the time of applying for registration, pay a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission. A criminal history record report shall accompany each individual registration application.*

*C. The Commission shall register the applicant if it finds that the character and general fitness of the applicant are such as to warrant belief that the applicant will act as a navigator fairly, in the public interest, and in accordance with law.*

In consideration of the amount of time needed to effectively administer HB 770 and to implement its new provisions, the Bureau asked that the patron consider a delayed effective date of January 1, 2015 for the measure.

House Bill 770 is assigned to Commerce and Labor Subcommittee #2.

**Date:** 01/21/14/V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources