

State Corporation Commission

2015 Fiscal Impact Statement

1. Bill Number: SB1405

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

2. Patron: Favola

3. Committee: Passed Both Houses

4. Title: Health services plans; effects of actions of other states.

5. Summary: Health services plans; effects of actions of other states. Requires the State Corporation Commission (SCC) to conduct a proceeding to review and evaluate the effect of a law or other regulatory action of another state that requires a health services plan operating in the Commonwealth to distribute or reduce its surplus or to provide a program or benefits for the residents of the other state. Currently the SCC may, but is not required to, conduct such a proceeding or examination only when another state enacts a law providing a program or benefits for the residents of the other state. The measure authorizes the SCC, if it finds that the other state's action is harmful to the interests of residents of the Commonwealth, to (i) prohibit the health services plan from distributing or reducing its surplus for the benefit of residents of another state or the District of Columbia or (ii) take any other action the SCC finds necessary to protect the interests of the residents of the Commonwealth. The measure also states that a health services plan shall not distribute or reduce its surplus pursuant to a law of or regulatory action taken in another jurisdiction except with the approval of the SCC. There is an emergency clause on this legislation.

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 and the Commission's Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: The State Corporation Commission Bureau of Insurance advised the patron of Senate Bill 1405 that Subsection D of the bill will potentially create a situation where Virginia would prohibit, by statute, an action that any other state may require by statute.

An emergency clause has been added to this legislation.

House Bill 2299 is identical to Senate Bill 1405.

Date: 02/25/15/V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources