

**\*\*REVISED\*\***  
**State Corporation Commission**  
**2018 Fiscal Impact Statement**

**1. Bill Number:** HB573

<b>House of Origin</b>	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Hodges

**3. Committee:** Commerce and Labor

**4. Title:** Health insurance rate reviews; pharmacy benefit price spread.

**5. Summary:** Requires the State Corporation Commission (Commission) to treat the price spread on any contract between the issuer of a health benefit plan and its pharmacy benefit manager as an administrative cost of the issuer. The issuer's administrative costs are required to be excluded from the amount of benefits provided under a health benefit plan when the Commission determines the health benefit plan's anticipated loss ratio. The measure codifies portions of the Commission's regulations promulgated to implement the requirement that it review and approve the premium rates for health benefit plans, including the requirement that the benefits provided by a health benefit plan are reasonable in relation to the premiums charged.

**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:** The State Corporation Commission Bureau of Insurance recommends that on Line 40 after "plan." insert "as defined in § 38.2-3431".

**11. Other comments:** None

**Date:** 01/23/18/V. Tompkins