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SENATE BILL NO. 1240

Offered January 9, 2019

Prefiled January 5, 2019

A BILL relating to individual health insurance coverage; short-term, limited-duration policies.

Patrons—Reeves and Vogel

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. § 1. That notwithstanding any provision of Title 38.2 of the Code of Virginia to the contrary, each health carrier, as defined in § 38.2-3438 of the Code of Virginia, shall be authorized to sell or offer for sale in the Commonwealth short-term, limited-duration health plans.

§ 2. As used in this act, "short-term, limited-duration health plan" means a health benefit plan, as defined in § 38.2-3438 of the Code of Virginia, that has an expiration date specified in the contract, policy, or plan that is less than 12 months after the original effective date of the contract, policy, or plan and, taking into account renewals or extensions, has a duration that does not exceed 36 months.

§ 3. The coverage provided to an individual under a short-term, limited-duration health plan shall satisfy any requirement of law or regulation that an individual obtain or maintain health insurance coverage.

§ 4. Any short-term, limited-duration health plan sold or offered for sale in the Commonwealth shall be exempt from:

1. The provisions of Article 6 (§ 38.2-3438 et seq.) of Chapter 34 of Title 38.2 of the Code of Virginia;

2. Any provision of Title 38.2 of the Code of Virginia that provides an exemption for a short-term policy, contract, or plan, regardless of whether such provision states that the exemption applies to a short-term, limited-duration policy, contract, or plan with any stated expiration date that is less than 12 months after the original effective date of the contract, policy, or plan and has a duration that does not exceed 36 months; and

3. Each of the mandated health insurance benefits set forth in Article 2 (§ 38.2-3408 et seq.) of Chapter 34 of Title 38.2 of the Code of Virginia, provided, however, that in lieu of any requirement that a health carrier provide coverage for a mandated benefit, the health carrier shall offer and make available the coverage for such benefit under the short-term, limited-duration health plan.

§ 5. Every short-term, limited-duration health plan sold or offered for sale in the Commonwealth shall include the following disclaimer in at least 14-point type: "This coverage is not required to comply with certain federal market requirements for health insurance, principally those contained in the Affordable Care Act. Be sure to check your policy carefully to make sure you are aware of any exclusions or limitations regarding coverage of preexisting conditions or health benefits (such as hospitalization, emergency services, maternity care, preventive care, prescription drugs, and mental health and substance use disorder services). Your policy might also have lifetime and/or annual dollar limits on health benefits. If this coverage expires or you lose eligibility for this coverage, you might have to wait until an open enrollment period to get other health insurance coverage."

INTRODUCED

SB1240