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SENATE BILL NO. 404

Offered January 8, 2020

Prefiled January 7, 2020

A *BILL to amend the Code of Virginia by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.21, relating to health insurance; short-term limited-duration medical plans.*

Patrons—Hashmi; Delegate: Rasoul

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.21 as follows:

§ 38.2-3407.21. Short-term limited-duration medical plans.

A. As used in this section:

"Carrier" means any entity that is authorized to sell, offer, or provide a short-term limited-duration medical plan.

"Covered person" means a policyholder, subscriber, enrollee, participant, or other individual who is entitled to health care services provided, arranged for, paid for, or reimbursed pursuant to a short-term limited-duration medical plan.

"PPACA" has the meaning ascribed thereto in § 38.2-3438.

"Short-term limited-duration medical plan" has the same meaning as short-term limited-duration insurance as used in 26 C.F.R. § 54.9801-2, 29 C.F.R. § 2590.701-2 and 45 C.F.R. § 144.103.

B. No carrier shall issue, deliver, issue for delivery, reissue, or extend in the Commonwealth on and after July 1, 2020, any short-term limited-duration medical plan:

1. With a duration that exceeds three months;

2. That can be renewed or extended; or

3. If the issuance, delivery, reissuance, or extension of the short-term limited-duration medical plan would result in a covered person being covered by a short-term limited-duration medical plan for more than three months in any 12-month period.

C. No carrier shall issue a short-term limited-duration medical plan during an annual open enrollment period.

D. The requirements of the PPACA that require carriers to rebate premiums to covered persons when the medical loss ratio for health benefit plans exceeds certain levels shall apply to short-term limited-duration medical plans issued in the Commonwealth except that each carrier shall rebate premiums from its issuance of short-term limited-duration medical plans to the plans' policyholders if, and to the extent that, the medical loss ratio for the short-term limited-duration medical plans is less than 85 percent.

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