

Department of Planning and Budget 2020 Fiscal Impact Statement

1. **Bill Number:** HB901-H1

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

2. **Patron:** Sickles

3. **Committee:** Labor and Commerce

4. **Title:** Health insurance; payment to out-of-network providers.

5. **Summary:** Provides that when a covered person receives covered emergency services from an out-of-network health care provider or receives out-of-network services at an in-network facility, the covered person is not required to pay the out-of-network provider any amount other than the applicable cost-sharing requirement. The measure also establishes a standard for calculating the health carrier's required payment to the out-of-network provider of the services, which standard is the lower of the market-based value for the service or 125 percent of the amount that would be paid under Medicare for the service. If such provider determines that the amount to be paid by the health carrier does not comply with the applicable requirements, the measure requires the provider and the health carrier to make a good faith effort to reach a resolution on the appropriate amount of the reimbursement and, if a resolution is not reached, authorizes either party to request the State Corporation Commission to review the disputed reimbursement amount and determine if the amount complies with applicable requirements. The measure provides that such provisions do not apply to an entity that provides or administers self-insured or self-funded plans; however, such entities may elect to be subject such provisions. The measure requires health carriers to make reports to the Bureau of Insurance and directs the Bureau to provide reports to certain committees of the General Assembly.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** No state fiscal impact; see Item 8.

8. **Fiscal Implications:**

The State Corporation Commission has indicated no fiscal impact is expected on the agency.

According to the Department of Human Resource Management, the out-of-network payment levels required by the bill are consistent with the rates currently covered by the state employee health insurance plan for such out-of-network services. Therefore, there is no expected fiscal impact.

9. **Specific Agency or Political Subdivisions Affected:** State Corporation Commission
Bureau of Insurance and the Department of Human Resource Management

10. Technical Amendment Necessary: According to the State Corporation Commission Bureau of Insurance, it offered the patron of House Bill 901 the following technical comments:

- On lines 195-196 of the introduced version of the bill, strike the sentence, “A deductible may be imposed with respect to out-of-network emergency services only as part of a deductible that generally applies to out-of-network benefits” as this sentence conflicts with the provisions on lines 179-182.
- Additionally, Section 38.2-3445.1 would have to be repealed since that section holds the covered person responsible for balance billing amounts in conflict with this bill.

11. Other Comments: This bill is a companion to SB767.

The House substitute incorporates HB189 and otherwise is identical to the introduced version of the bill.

Date: 2/7/2020