

# VIRGINIA ACTS OF ASSEMBLY -- 2022 SESSION

## CHAPTER 646

*An Act to require the Department of Health, through its contract with the nonprofit organization with which it enters agreements for certain data services, to develop and implement a methodology for evaluating the efficiency and productivity of carriers and managed care health insurance plans.*

[H 248]

Approved April 11, 2022

### **Be it enacted by the General Assembly of Virginia:**

**1.** *§ 1. That the Department of Health (the Department), through its contract with the nonprofit organization described in § 32.1-276.4 of the Code of Virginia and in consultation with the Bureau of Insurance of the State Corporation Commission (the Bureau), shall by July 1, 2023, (i) develop and implement a methodology to review and measure the efficiency and productivity of health care providers and carriers, as defined in § 38.2-3407.10 of the Code of Virginia, other than limited scope dental or vision plans licensed pursuant to Chapter 45 (§ 38.2-4500 et seq.) of Title 38.2, and managed care health insurance plans, as defined in § 38.2-5800 of the Code of Virginia and certified by the Department pursuant to § 32.1-137.2 of the Code of Virginia, and (ii) make available to the public on a website maintained by the nonprofit organization such data and information and other reports collected or produced as a result of implementation of such methodology. The methodology shall be designed to foster transparency and competition among both carriers and health care providers and to assist consumers in making educated decisions regarding options for health care coverage and access.*

*§ 2. The methodology described in § 1 shall:*

*1. Include provisions for comparisons of a specific carrier's or managed care health insurance plan's performance to (i) national and regional performance metrics for carriers or managed care health insurance plans, as appropriate, and (ii) other carriers or managed care health insurance plans, as appropriate;*

*2. Provide for the collection of data and information necessary to evaluate or compare (i) annual premium rates and changes to such rates over time; (ii) medical loss ratios and changes to such ratios over time; (iii) cost sharing levels and changes to such levels over time; and (iv) expenditures on inpatient hospital services, outpatient hospital services, emergency services, physician services, pharmaceuticals, and other major spending categories, and changes to such expenditures over time; and*

*3. Utilize data compiled by the Bureau and submitted to the nonprofit organization, data from data sources maintained by the Bureau and the Department, and other publicly available data sources.*

*Such methodology may include different methodologies for the assessment of various types of carriers and managed care health insurance plans.*

*§ 3. Any data submitted by the Bureau to the Department or the nonprofit organization in accordance with this act shall be provided in a secure manner to protect the safety and confidentiality of any proprietary information of any carrier or managed care health insurance plan.*

*§ 4. The Bureau shall convene a stakeholder work group composed of representatives of the Department, the nonprofit organization described in § 32.1-276.4 of the Code of Virginia, the Virginia Association of Health Plans, the Virginia Hospital and Healthcare Association, the Medical Society of Virginia, and other such stakeholders as the Bureau deems appropriate to (i) provide input on the development of the methodology described in § 1; (ii) identify additional measures to increase the transparency of information provided to the Bureau by carriers, managed care health insurance plans, and health care providers; and (iii) determine what additional information should be provided to the nonprofit organization by carriers, managed care health insurance plan providers, and health care providers to foster transparency and competition among both carriers and health care providers and assist consumers in making educated decisions regarding options for health care coverage and access. The work group shall report its findings and recommendations to the Governor and the Chairmen of the House Committee on Health, Welfare and Institutions and the Senate Committee on Education and Health by November 1, 2022.*