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SENATE BILL NO. 1336

Offered January 11, 2023

Prefiled January 11, 2023

A *BILL to amend and reenact § 38.2-3407.21 of the Code of Virginia, relating to health insurance; short-term limited-duration medical plans.*

Patrons—Reeves, Cosgrove, DeSteph, Hackworth, Newman, Norment and Ruff

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-3407.21 of the Code of Virginia is amended and reenacted 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.

"Health benefit plan" has the same meaning as provided 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 except as described in subsection B means a health benefit plan 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, that has a duration of no longer than 36 months except as provided in subsection C.

B. No carrier shall issue, deliver, issue for delivery, reissue, or extend in the Commonwealth on and after July 1, 2021, any short-term limited-duration medical plan:

1. ~~With a duration that exceeds three~~ That has an expiration date specified in the contract, policy, or plan that is 12 months or longer after the original effective date of the contract, policy, or plan;

2. That can be renewed or extended if the renewal or extension would result in such coverage being effective for more than ~~six~~ 36 months, notwithstanding § 38.2-3514.2; 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 ~~six months in any 12-month period~~ 36 months in total.

C. Notwithstanding the provisions of this section, a carrier may issue, deliver, issue for delivery, reissue, or extend in the Commonwealth any short-term limited-duration health plan that meets the definition of "short-term limited-duration insurance" provided in 26 C.F.R. § 54.9801-2.

D. Every short-term limited-duration medical plan sold or offered for sale in the Commonwealth shall include in the policy, contract, or plan and in any application materials provided in connection with enrollment in such coverage 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, PREVENTATIVE CARE, PRESCRIPTION DRUGS, AND MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES. YOUR POLICY MIGHT ALSO HAVE LIFETIME AND/OR 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."

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

~~D.~~ F. Any certificate delivered in the Commonwealth that is issued under a short-term limited-duration medical plan in any other jurisdiction shall comply with the requirements of this section.

INTRODUCED

SB1336