

State Corporation Commission 2023 Fiscal Impact Statement

1. **Bill Number:** HB1739

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Head

3. **Committee:** House Floor

4. **Title:** Ethics and fairness in carrier business practices; failure to comply.

5. **Summary:** The State Corporation Commission's Bureau of Insurance (Bureau) shall convene a work group to develop recommendations for regulatory and legislative changes necessary to improve the process for determining, pursuant to the Commission's jurisdiction under subsection D of § 38.2-3407.15 of the Code of Virginia, if a carrier has failed to implement the minimum fair business standards set out in subdivisions B 1 and 2 of § 38.2-3407.15 of the Code of Virginia in the performance of its provider contracts for the prompt payment of claims.

The work group shall (i) evaluate the effectiveness of the current process that the Bureau utilizes when complaints are filed related to prompt payment of claims and (ii) develop recommendations regarding improvements to the process, such as establishing a timeframe and requirements for (a) submission of complaints and acknowledgment of receipt, (b) requests for additional documentation or information needed to make a determination, and (c) completion of a determination about a complaint, including the rationale and explanation of any recommendations for the carrier or complainant to promote accuracy of claims submission and prompt payment of claims.

The work group shall also develop recommendations to promote compliance with the Ethics and Fairness in Carrier Business Practices Act (§ 38.2-3407.15 of the Code of Virginia) to ensure prompt payment of claims and other recommendations to improve timeliness of the claims process. In addition to convening the work group, the Bureau shall ensure that the form for submission of complaints is easily accessible to providers and members of the public.

The work group shall include representatives of the Virginia Hospital and Healthcare Association, the Virginia Association of Health Plans, the Medical Society of Virginia, and other relevant parties as identified by the Bureau. The Bureau shall submit a report of the findings and recommendations of the work group to the Chairs of the House Committees on Commerce and Energy and Health, Welfare and Institutions and the Senate Committees on Commerce and Labor and Education and Health no later than December 1, 2023.

6. **Budget Amendment Necessary:** No

- 7. Fiscal Impact Estimates:** Preliminary. See Item #8.
- 8. Fiscal Implications:** The State Corporation Commission will utilize existing staff resources to perform the work associated with House Bill 1739. Please note that several legislative study bills remain under consideration. If all were to be approved, the SCC estimates the total fiscal impact for FY 2024 to be between \$100,000 and \$300,000.
- 9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission
Bureau of Insurance
- 10. Technical Amendment Necessary:** No
- 11. Other Comments:** Senate Bill 927 is identical to House Bill 1739.

Date: 02/03/2023/V. Tompkins