

State Corporation Commission

2023 Fiscal Impact Statement

1. Bill Number: SB1397

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

2. Patron: Surovell

3. Committee: Commerce and Labor

4. Title: Health Insurance Reform Commission; review of essential health benefits plan.

5. Summary: Requires that the Health Insurance Reform Commission review the essential health benefits benchmark plan and establishes a process for such review. The bill requires the Commission, in coordination with the Bureau of Insurance, to conduct review of the essential health benefits benchmark plan in 2025 and every five years thereafter. The bill requires during such review (i) the Bureau to convene a stakeholder workgroup to make recommendations to the Commission, (ii) the Bureau to estimate the effects of certain referred legislation on the costs of health coverage in the Commonwealth, (iii) the Commission to determine if any changes are to be made to the benchmark plan and to identify such changes, (iv) the Bureau to conduct an actuarial analysis of any changes identified by the Commission, and (v) the Commission to determine which changes will be recommended and to make a recommendation to the General Assembly, in the form of a bill, regarding such changes. The bill (a) requires public hearings to be held throughout the process, (b) establishes timeline for each step of the process, and (c) requires the Bureau to maintain a website to convey relevant information regarding the process to the public. This bill is a recommendation of the Health Insurance Reform Commission.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: The process outlined in Senate Bill 1397 for review of changes by the Health Insurance Reform Commission (HIRC) to Virginia's Essential Health Benefit Benchmark Plan directs the State Corporation Commission (SCC) Bureau of Insurance (Bureau) to estimate the effects of certain referred legislation on the costs of health coverage in the Commonwealth and to perform an actuarial review of any changes to specific benefits as directed by the HIRC.

The Bureau estimates the cost of each actuarial review at \$30,000 to \$50,000 if no federal funding is available to subsidize those costs. The estimated financial impact for any given fiscal year for actuarial costs in support of legislative directives would depend on (i) how many benefits must be assessed for inclusion in the benchmark plan and (ii) the total number of additional studies, reports, and other legislative directives the SCC is directed to complete.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission
Bureau of Insurance

10. Technical Amendment Necessary: No

11. Other Comments: House Bill 2199 is similar to Senate Bill 1397.

Date: 1/23/2023/V. Tompkins