

State Corporation Commission 2023 Fiscal Impact Statement

1. Bill Number: SB1397

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Surovell

3. Committee: Passed both Houses

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

5. Summary: Requires that the Health Insurance Reform Commission (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 a 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 that directs the Bureau to select a new benchmark plan that includes any such changes at the next regular session of the General Assembly.

The bill (a) requires public hearings to be held throughout the process, (b) establishes a 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: Final. See Item 8.

8. Fiscal Implications: The process outlined in Senate Bill 1397/House Bill 2199 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. The State Corporation Commission has used funds from an applicable federal grant to pay for the actuarial analysis of certain mandates selected by HIRC. If federal funding is not available, an additional appropriation may be needed. 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: Senate Bill 1397 and House Bill 2199 are identical.

Date: 2/22/2023/V. Tompkins