

LD2003288

## HOUSE BILL NO. 2063

Offered January 23, 1995

*A BILL to amend and reenact §§ 38.2-3407.3 and 38.2-3407.4 of the Code of Virginia, relating to accident and sickness insurance claims processed within the Commonwealth.*

Patrons—Heilig, Ball, Cantor, Cranwell, Cunningham, Hall and Watkins; Senators: Bell, Benedetti, Chichester, Lambert, Nolen, Stosch and Wampler

Referred to Committee on Corporations, Insurance and Banking

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

**1. That §§ 38.2-3407.3 and 38.2-3407.4 of the Code of Virginia are amended and reenacted as follows:**

§ 38.2-3407.3. Calculation of cost-sharing provisions.

A. An insurer, health services plan or health maintenance organization that issues an accident and sickness insurance policy or contract pursuant to which the insured, subscriber or enrollee is required to pay a specified percentage of the cost of covered services, shall calculate such amount payable *by an insured, subscriber or enrollee who resides in the Commonwealth or whose claim was processed by or for the insurer, health services plan or health maintenance organization within the Commonwealth* based upon the total amount actually paid or payable to the provider of such services for the services provided to the insured, subscriber or enrollee.

B. Any insurer, health services plan or health maintenance organization failing to administer its contracts as set forth herein shall be deemed to have committed a knowing and willful violation of this section, and shall be punished as set forth in subsection A of § 38.2-218. Each claim payment found to have been calculated in noncompliance with this section shall be deemed a separate and distinct violation, and shall further be deemed a violation subject to subdivision D 1 c of § 38.2-218, permitting the Commission to require restitution in addition to any other penalties.

§ 38.2-3407.4. Explanation of benefits.

A. Each insurer issuing an accident and sickness insurance policy, a corporation issuing subscription contracts, and each health maintenance organization shall file for approval explanation of benefits forms. These explanation of benefit forms shall be subject to the requirements of § 38.2-316 or § 38.2-4306 as applicable.

B. The explanation of benefits shall accurately and clearly set forth the benefits payable under the contract.

C. The Commission may issue regulations to establish standards for the accuracy and clarity of the information presented in an explanation of benefits.

D. The term "explanation of benefits" as used in this section shall include any form provided by an insurer, health services plan or health maintenance organization *which is furnished to insureds, subscribers or enrollees who are residents of the Commonwealth or with respect to claims processed by or for the insurer, health services plan or health maintenance organization within the Commonwealth* and which explains the amounts covered under a policy or plan or shows the amounts payable by a covered person to a health care provider.

INTRODUCED

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