

963359484

## HOUSE BILL NO. 611

House Amendments in [ ] — January 29, 1996

A BILL to amend and reenact § 38.2-5300 of the Code of Virginia, relating to accident and sickness insurance; utilization review.

Patron—Watkins

Referred to Committee on Corporations, Insurance and Banking

**Be it enacted by the General Assembly of Virginia:****1. That § 38.2-5300 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-5300. Definitions.

In this chapter and Chapter 54 (§ 38.2-5400; et seq.) of this title, the following terms have the meanings indicated:

"Certificate" means a certificate of registration granted by the Commission to a private review agent.

"Commission" means the State Corporation Commission.

"Physician advisor" means a physician licensed to practice medicine who provides medical advice or information to a private review agent or a utilization review entity in connection with its utilization review activities.

"Private review agent" means a person or entity performing utilization review, except that the term shall not include the following entities or employees of any such entity so long as they conduct utilization review solely for subscribers, policyholders, members or enrollees:

1. A health maintenance organization authorized to transact business in Virginia; or

2. A health insurer, hospital service corporation, health services plan or preferred provider organization authorized to offer health benefits in this Commonwealth.

"Utilization review" means a system for reviewing the necessity, appropriateness and efficiency of hospital, medical or other health care resources rendered or proposed to be rendered to a patient or group of patients for the purpose of determining whether such services should be covered or provided by an insurer, health services plan, health maintenance organization, or other entity or person. For purposes of this chapter and Chapter 54 of this title, "utilization review" shall include, but not be limited to, preadmission, concurrent and retrospective medical necessity determination and review related to the appropriateness of the site at which services were or are to be delivered. "Utilization review" shall not include (i) review of issues concerning insurance contract coverage or contractual restrictions on facilities to be used for the provision of services or, (ii) any review of patient information by an employee of or consultant to any licensed hospital for patients of such hospital, or (iii) any determination by an insurer as to the reasonableness and necessity of services [ ~~rendered to an insured for which reimbursement is sought pursuant to a policy the primary purpose of which is to provide motor vehicle liability insurance or premises liability insurance for the treatment and care of an injury suffered by an insured for which reimbursement is claimed under a contract of insurance covering any classes of insurance defined in §§ 38.2-117 through 38.2-119, 38.2-124 through 38.2-126, 38.2-130 through 38.2-132 and 38.2-134~~ ].

"Utilization review program" means a program for conducting utilization review by a private review agent.

ENGROSSED

HB611E