

VIRGINIA ACTS OF ASSEMBLY -- 1997 SESSION

CHAPTER 56

An Act to amend and reenact § 38.2-3407.3 of the Code of Virginia, relating to accident and sickness insurance contracts; calculation of cost-sharing provisions.

[S 919]

Approved March 2, 1997

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-3407.3 of the Code of Virginia is 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 based upon *an amount not to exceed* 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.