

1998 SESSION

INTRODUCED

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SENATE BILL NO. 553

Offered January 26, 1998

A BILL to amend and reenact § 38.2-3407.3 of the Code of Virginia, relating to accident and sickness insurance; calculation of cost-sharing provisions; out-of-state services.

Patrons—Barry, Holland, Houck and Watkins

Referred to the Committee on Commerce and Labor

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. *When an insured, subscriber or enrollee receives covered services outside the insurer's, health services plan's or health maintenance organization's provider network, and such entity utilizes another insurer's, health services plan's or health maintenance organization's provider network located outside the Commonwealth, such entity may satisfy the obligation of this section by using the cost of services as reported by the out-of-state insurer, health services plan or health maintenance organization when calculating the insured's, subscriber's or enrollee's percentage of the cost of covered services.*

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.

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