

# VIRGINIA ACTS OF ASSEMBLY -- 1999 SESSION

## CHAPTER 482

*An Act to amend and reenact §§ 38.2-4307 and 38.2-4307.1 of the Code of Virginia, relating to health maintenance organizations; annual and financial statements.*

[S 894]

Approved March 27, 1999

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

**1. That §§ 38.2-4307 and 38.2-4307.1 of the Code of Virginia are amended and reenacted as follows:**

§ 38.2-4307. Annual statement.

A. Each health maintenance organization shall file a statement with the Commission annually by March 1. The statement shall be verified by at least two principal officers and shall cover the preceding calendar year. Each health maintenance organization shall also send a copy of the statement to the State Health Commissioner.

B. The statement shall be on forms prescribed by the Commission and shall include:

1. A financial statement of the organization, including its balance sheet and income statement for the preceding year;

2. Any material changes in the information submitted pursuant to subsection B of § 38.2-4301;

3. The number of persons enrolled during the year, the number of enrollees as of the end of the year and the number of enrollments terminated during the year; and

4. Any other information relating to the operations of the health maintenance organization required by the Commission pursuant to this chapter or Chapter 58 (§ 38.2-5800 et seq.) of this title.

C. If the health maintenance organization is audited annually by an independent certified public accountant, a copy of the certified audit report shall be filed annually with the Commission by June 30.

D. The Commission may extend the time prescribed for filing annual statements or other reports or exhibits of any health maintenance organization for good cause shown. However, the Commission shall not extend the time for filing annual statements beyond sixty days after the time prescribed by subsection A of this section. Any health maintenance organization which fails to file its annual statement within the time prescribed by this section shall be subject to a fine as specified in § 38.2-218.

*E. The Commission may prescribe the form of the annual statement and supplemental schedules and exhibits to include additional copies in machine-readable format, and may vary the form requirements for different types of health maintenance organizations. However, as far as practicable, the form for annual statements, supplementary schedules, and exhibits shall be the same as other such forms in general use in the United States. Unless otherwise prescribed by the Commission, such annual statements shall be prepared using an annual statement convention blank developed by the National Association of Insurance Commissioners (NAIC). The annual statement, and supplementary schedules and exhibits required by this section, shall be prepared in accordance with the appropriate annual statement instructions and the accounting practices and procedures manual adopted by the NAIC, or any successor publications.*

*F. At the request of the Commission, a health maintenance organization that is licensed under this chapter shall annually on or before March 1 of each year, file with the NAIC a copy of its annual statement convention blank, along with such additional filings as prescribed by the Commission for the preceding year. Unless otherwise prescribed by the Commission, the information filed with the NAIC shall be in the same format and scope as that required by the Commission and shall include the signed jurat page and any actuarial certification required by the Commission. Any amendments and addenda to the annual statement filed subsequently with the Commission shall also be filed with the NAIC.*

§ 38.2-4307.1. Additional reports.

A. In addition to the annual statement, the Commission may require a licensed health maintenance organization to file additional reports, exhibits or statements considered necessary to secure complete information concerning the condition, solvency, experience, transactions or affairs of the health maintenance organization. The Commission shall establish reasonable deadlines for filing these additional reports, exhibits, or statements and may require verification by any officers of the health maintenance organization designated by the Commission.

*B. The Commission may require a licensed health maintenance organization to file with the National Association of Insurance Commissioners (NAIC) a copy of its financial statement required to be filed pursuant to § 38.2-4307, on a quarterly basis. Unless otherwise prescribed by the Commission, all such financial statements, whether filed with the Commission or the NAIC, shall be prepared in accordance with applicable provisions of the annual statement instructions and the accounting practices and procedures manual adopted by the NAIC, or any successor publications. The Commission may prescribe*

*that additional copies of financial statements and other publications be filed in machine-readable format.*