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HOUSE BILL NO. 2690

Offered January 21, 1999

A BILL to amend and reenact §§ 38.2-4214, 38.2-4319, and 38.2-4509 of the Code of Virginia, and to amend the Code of Virginia by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.13, relating to health insurance; assignment of benefits.

Patrons—Joannou, Almand, Armstrong, Bennett, Brink, Christian, Cranwell, Crittenden, Darner, Day, Deeds, Grayson, Hull, Johnson, Jones, D.C., Jones, J.C., Keating, Moran, Moss, Phillips, Plum, Puller, Robinson, Tate, Van Landingham, Van Yahres, Watts, Williams and Woodrum; Senators: Couric, Edwards, Gartlan, Howell, Marsh, Miller, Y.B., Puckett, Reynolds, Ticer, Walker and Whipple

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-4214, 38.2-4319 and 38.2-4509 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.13 as follows:

§ 38.2-3407.13. Refusal to accept assignments prohibited.

A. No insurer proposing to issue individual or group accident and sickness insurance policies providing hospital, medical and surgical or major medical coverage on an expense incurred basis, no corporation providing individual or group accident and sickness subscription contracts, no health maintenance organization providing a health care plan for health care services, and no dental services plan offering or administering prepaid dental services shall refuse to accept or make reimbursement pursuant to a bona fide assignment of benefits made to a health care provider or hospital by an insured, subscriber or plan enrollee.

B. For the purpose of this section "assignment of benefits" means the transfer of health care coverage reimbursement benefits or other rights under an insurance policy, subscription contract or health care plan by an insured, subscriber or plan enrollee to a health care provider or hospital.

§ 38.2-4214. Application of certain provisions of law.

No provision of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-200, 38.2-203, 38.2-210 through 38.2-213, 38.2-218 through 38.2-225, 38.2-230, 38.2-232, 38.2-305, 38.2-316, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, 38.2-700 through 38.2-705, 38.2-900 through 38.2-904, 38.2-1017, 38.2-1018, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1 (§ 38.2-1300 et seq.) and 2 (§ 38.2-1306.2 et seq.) of Chapter 13, §§ 38.2-1312, 38.2-1314, 38.2-1317 through 38.2-1328, 38.2-1334, 38.2-1340, 38.2-1400 through 38.2-1444, 38.2-1800 through 38.2-1836, 38.2-3400, 38.2-3401, 38.2-3404, 38.2-3405, 38.2-3405.1, 38.2-3407.1 through 38.2-3407.6, 38.2-3407.9, 38.2-3407.10, 38.2-3407.11, 38.2-3407.12 through 38.2-3407.13, 38.2-3409, 38.2-3411 through 38.2-3419.1, 38.2-3430.1 through 38.2-3437, 38.2-3501, 38.2-3502, 38.2-3514.1, 38.2-3514.2, 38.2-3516 through 38.2-3520 as they apply to Medicare supplement policies, 38.2-3522.1 through 38.2-3523.4, §§ 38.2-3525, 38.2-3540.1, 38.2-3541, 38.2-3542, 38.2-3543.2, 38.2-3600 through 38.2-3607, Chapter 53 (§ 38.2-5300 et seq.), and Chapter 58 (§ 38.2-5800 et seq.) of this title shall apply to the operation of a plan.

§ 38.2-4319. Statutory construction and relationship to other laws.

A. No provisions of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-100, 38.2-200, 38.2-203, 38.2-210 through 38.2-213, 38.2-218 through 38.2-225, 38.2-229, 38.2-232, 38.2-305, 38.2-316, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, Chapter 9 (§ 38.2-900 et seq.) of this title, 38.2-1057, 38.2-1306.2 through 38.2-1309, Articles 4 (§ 38.2-1317 et seq.) and 5 (§ 38.2-1322 et seq.) of Chapter 13, Articles 1 (§ 38.2-1400 et seq.) and 2 (§ 38.2-1412 et seq.) of Chapter 14, §§ 38.2-1800 through 38.2-1836, 38.2-3401, 38.2-3405, 38.2-3405.1, 38.2-3407.2 through 38.2-3407.6, 38.2-3407.9, 38.2-3407.10, 38.2-3407.11, 38.2-3407.12 through 38.2-3407.13, 38.2-3411.2, 38.2-3414.1, 38.2-3418.1 through 38.2-3418.7, 38.2-3419.1, 38.2-3430.1 through 38.2-3437, 38.2-3500, 38.2-3514.1, 38.2-3514.2, 38.2-3522.1 through 38.2-3523.4, 38.2-3525, 38.2-3542, 38.2-3543.2, Chapter 53 (§ 38.2-5300 et seq.) and Chapter 58 (§ 38.2-5800 et seq.) of this title shall be applicable to any health maintenance organization granted a license under this chapter. This chapter shall not apply to an insurer or health services plan licensed and regulated in conformance with the insurance laws or Chapter 42 (§ 38.2-4200 et seq.) of this title except with respect to the activities of its health maintenance organization.

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60 B. Solicitation of enrollees by a licensed health maintenance organization or by its representatives
61 shall not be construed to violate any provisions of law relating to solicitation or advertising by health
62 professionals.

63 C. A licensed health maintenance organization shall not be deemed to be engaged in the unlawful
64 practice of medicine. All health care providers associated with a health maintenance organization shall
65 be subject to all provisions of law.

66 D. Notwithstanding the definition of an eligible employee as set forth in § 38.2-3431, a health
67 maintenance organization providing health care plans pursuant to § 38.2-3431 shall not be required to
68 offer coverage to or accept applications from an employee who does not reside within the health
69 maintenance organization's service area.

70 § 38.2-4509. Application of certain laws.

71 A. No provision of this title except this chapter and, insofar as they are not inconsistent with this
72 chapter, §§ 38.2-200, 38.2-203, 38.2-210 through 38.2-213, 38.2-218 through 38.2-225, 38.2-229,
73 38.2-316, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620,
74 38.2-900 through 38.2-904, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1 (§ 38.2-1300 et seq.)
75 and 2 (§ 38.2-1306.2 et seq.) of Chapter 13, 38.2-1312, 38.2-1314, Article 4 (§ 38.2-1317 et seq.) of
76 Chapter 13, 38.2-1400 through 38.2-1444, 38.2-1800 through 38.2-1836, 38.2-3401, 38.2-3404,
77 38.2-3405, 38.2-3407.10, 38.2-3407.13, 38.2-3415, 38.2-3541, 38.2-3600 through 38.2-3603, and Chapter
78 58 (§ 38.2-5800 et seq.) of this title shall apply to the operation of a plan.

79 B. The provisions of subsection A of § 38.2-322 shall apply to an optometric services plan. The
80 provisions of subsection C of § 38.2-322 shall apply to a dental services plan.

81 C. The provisions of Article 1.2 (§ 32.1-137.7 et seq.) of Chapter 5 of Title 32.1 shall not apply to
82 either an optometric or dental services plan.