

State Corporation Commission 2008 Fiscal Impact Statement

1. Bill Number: HB668

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Marshall, R.G.

3. Committee: Commerce and Labor

4. Title: **Individual health insurance; statements regarding grounds for refusal to cover.**

5. Summary/Purpose: Requires each insurer, health care plan and health maintenance organization (HMO) to file a statement, signed by two of its principal officers that identifies, with respect to each policy, contract, or plan that offers individual health insurance coverage to residents of the Commonwealth that identifies:

1. Any medical condition, whether by itself or with any other medical condition, the presence or history of which is used by the insurer, corporation, or HMO as the basis for its refusal to issue or offer a policy, contract, or plan providing coverage for an applicant; and
2. The sources of the information regarding an applicant's condition and medical history upon which the insurer, corporation, or HMO generally relies in determining whether an applicant has or has had a medical condition described in subdivision 1.

The bill obligates the initial statement required to be filed by insurers, corporations, or HMOs by October 1, 2008. Thereafter, amended and updated statements shall be filed by insurers, corporations, or HMOs within 30 days following any change in policy or procedure that renders the most recently filed statement inaccurate or misleading. The State Corporation Commission may require verification of any statement signed by the designated officers; and the Commission shall keep copies of the current, filed statements and have them available for public inspection. Requirements of HB 668 shall not apply to any policy, contract or plan: (i) pursuant to which individual health insurance coverage is offered to an eligible individual, as defined in § 38.2-3430.2; (ii) pursuant to which health insurance coverage is offered in the individual market on a "guarantee issue" basis without regard to health status, including open enrollment policies or contracts issued pursuant to § 38.2-4216.1; (iii) that provides short-term travel, accident only, or specified disease insurance; or (iv) that is designed for issuance to persons eligible for coverage under Medicare, or any other similar coverage under state or federal governmental plans.

6. Fiscal Impact Estimates: on the State Corporation Commission are not available. See Item 8.

7. Budget amendment necessary: No

8. Fiscal implications: The State Corporation Commission Bureau of Insurance under House Bill 668 would be required to maintain a substantial amount of files and records not currently in existence, which would also need to be reasonably accessible for public inspection. The Bureau would also be required to keep a database to keep track of the filings, which would have an impact on Bureau computer systems. The Bureau has no way to estimate the number of filings, the impact on computer resources or the amount of space necessary for the maintenance of additional records. The fiscal impact on insurers should be significant given the amount of work generated to create such a filing, and to maintain and update a form for each applicant for individual health insurance coverage.

9. Specific agency or political subdivisions affected: State Corporation Commission and its Bureau of Insurance `mms://198.246.135.32/house audio`

10. Technical amendment necessary: The State Corporation Commission Bureau of Insurance has the authority under § 38.2-1301 to require additional reports from insurers. The enactment of a new § 38.2-1303.1 may not be necessary to obtain the filing required by House Bill 668.

11. Other comments: None

Date: 01/19/08 / V. Tompkins

cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources