

## State Corporation Commission 2008 Fiscal Impact Statement

**1. Bill Number:** SB403

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:** Puckett

**3. Committee:** Commerce and Labor

**4. Title:** **Ethics and fairness in carrier business practices; payment of claims for pharmacy benefits.**

**5. Summary/Purpose:** Adds a provision to the minimum fair business standards required to be included in contracts between health insurance carriers and health care providers. The bill requires an insurance carrier's administrator of pharmacy benefits whose contract with a provider requires claims to be submitted electronically to the participating provider or its designee to make payments electronically provided such participating provider or designee agrees to accept claims details for such payments electronically. The requirement applies to clean claims submitted electronically in the form required by the payor, such as National Council for Prescription Drugs Programs, Inc. (NCPDP) standard format, and provides accurate electronic funds transfer information to the payor.

**6. No Fiscal Impact on the State Corporation Commission**

**7. Budget amendment necessary:** No

**8. Fiscal implications:** None on the State Corporation Commission

**9. Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance

**10. Technical amendment necessary:** No

**11. Other comments:** The new provision contained in Senate Bill 403 will be a required contract provision in the contracts between insurance carriers and providers when applicable. Currently, the provisions of the bill amend the Ethics and Fairness in Carrier Business Practices statute (§ 38.2-3407.15).

The Bureau of Insurance has been advised that interested parties are working on an amendment in the nature of a substitute to SB 403 that will remove this provision from the Ethics and Fairness statute and move it to another portion of Chapter 34 of Title 38.2, which deals with Accident and Sickness Insurance.

**Date:** 01/28/08/ V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources

