

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: HB2521

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Tyler

3. Committee: Commerce and Labor

4. Title: **Health insurance; coverage for length of hospital inpatient stay for mother and newborn after childbirth**

5. Summary: Revises the current health insurance mandate of stay after postpartum services that requires benefits for inpatient care and home visits in accordance with the most current “Guidelines for Perinatal Care” of the American Academy of Pediatrics and the American College of Obstetricians and Gynecologists or the “Standards for Obstetric-Gynecologic Services” by the American College of Obstetricians and Gynecologists. The revised requirements apply to policies, contracts or plans delivered, issued for delivery, reissued, or extended on or after January 1, 2010 or when a term of the policy is changed or a premium adjustment is made. Policies, contracts or plans must include no less than 72 hours of inpatient care following vaginal delivery or 96 hours following a Cesarean section for a mother and her newborn immediately after childbirth.

6. Fiscal Impact Estimates: 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: The Bureau of Insurance advised the patron of House Bill 2521 to consider incorporating additional provisions in the bill. In 1996, the U.S. Congress passed the *Newborns' and Mothers' Health Protection Act* (Act), which established a federal mandate for hospital stays for newborns and mothers after childbirth. Requirements under this Act for products issued in the individual health insurance market (essentially those group products which are not issued to an employer/employee group) and small employer groups are found in 42 USC §300gg-51, and requirements for large groups are found in 42 USC §300gg-4. The requirements are the same for both the individual and group markets. They call for a minimum hospital stay of no less than 48 hours following a vaginal delivery and no less than 96 hours following a Cesarean section. However, the federal law allows for an exception:

Paragraph (1)(A) shall not apply in connection with any group health plan or health insurance issuer in any case in which the decision to discharge the mother

or her newborn child prior to the expiration of the minimum length of stay otherwise required under paragraph (1)(A) is made by an attending provider in consultation with the mother.

The above exception for early discharge is not provided in House Bill 2521. The provisions of 42 USC §300gg-4(f) make clear that state law would not be preempted if the standard as described in House Bill 2521 were in place.

Also, existing § 38.2-3414.1 of the Code of Virginia requires that coverage be extended to include home visits in accordance with guidelines published by professional organizations (see Line 20). Home visit benefits are removed in Lines 27-30 which only refers to inpatient care.

11. Other comments: None

Date: 01/28/09 V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources