

## State Corporation Commission 2009 Fiscal Impact Statement

**1. Bill Number:** SB920

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:** Reynolds

**3. Committee:** Commerce and Labor

**4. Title:** Health insurance; policies to protect the uninsured.

**5. Summary:** Requires the offer of Policies to Protect the Uninsured (PTU). Sections 38.2-4214 and 38.2-4319 are revised to make the article applicable to health insurance plans and health maintenance organizations (HMOs). Section 38.2-3419.3 provides that a health insurer can offer a PTU policy to small employers in Virginia. If offered to a small employer, the PTU policy must be issued to all small employers; employers cannot be excluded because of their type of business. Insurers must determine the coverage in the policy and provide the State Corporation Commission (SCC) with a description of the policy as required by § 38.2-3419.5 A. The elements of coverage can only be changed annually. PTU policies can only be offered to small employers in Virginia. Section 38.2-3419.4 provides that if an insurer offers a PTU, it must be offered to all the PTU-eligible individuals employed by the small employers and their dependents and late enrollees, no eligible individuals or dependents can be excluded or charged additional premium due to their health status. Health insurers may establish minimum levels or amounts of employer contribution to premium or requirements for a minimum number of employees that must enroll relative to a percentage or number of eligible employees. Section 38.2-3419.5 requires all PTU policy forms to be approved by the SCC. Additional coverage and coverage greater than the PTU coverage can be provided by a rider or separate policy or plan. The insurer must submit a description of the PTU. All forms, including applications, enrollment forms, policies, subscription contracts, certificates, evidences of coverage, riders, amendments, endorsements, and disclosure forms must be filed for SCC approval according to Section 38.2-316. Riders and separate policies or plans providing greater benefits than the PTU can require a premium for the additional benefits. The premiums for additional coverage must be determined in the same manner as the PTU policy. The SCC can disapprove a PTU policy that does not meet the requirements of the bill after providing notice and an opportunity for a hearing.

**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:** Senate Bill 920 is identical to House Bill 2209. Both bills are very similar to 2007 House Bill 3160, a bill introduced by Delegate Danny Marshall. The current bills have incorporated all the technical suggestions made by the State Corporation Commission Bureau of Insurance in 2007 and this past fall when Delegate Marshall asked for an additional review of the new draft by the Bureau of Insurance.

**Date:** 1/18/2009 V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources