

## State Corporation Commission 2010 Fiscal Impact Statement

**1. Bill Number:** SB 642

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

**2. Patron:**        Reynolds

**3. Committee:** Commerce and Labor

**4. Title:**        **Availability of basic health insurance.**

**5. Summary:** Revises the definition of “health insurer” in § 38.2-3406.1 to include health maintenance organizations (HMOs). The bill revises the section to allow HMOs to provide health care plans that do not include all of the mandated benefits. Coverage for mammograms, pap smears, PSA testing, and colorectal cancer screening must be included.

**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:** See Item 11.

**11. Other comments:** The Bureau of Insurance suggested to the patron of Senate Bill 642 that “evidence of coverage” be added on Lines 67 through 71:

C. Any application and any enrollment form used in connection with coverage under this section shall prominently disclose that the policy, ~~or~~ contract or evidence of coverage is not required to provide state-mandated health benefits, shall prominently disclose any and all state-mandated health benefits that the policy, ~~or~~ subscription contract or evidence of coverage does not provide, and shall clearly describe all eligibility requirements.

D. A policy form, ~~or~~ subscription contract or evidence of coverage issued under this section to a small employer shall prominently disclose any and all state-mandated health benefits that the policy, ~~or~~ subscription contract or evidence of coverage does not provide. Such disclosure shall also be included in certificate forms or other evidences of coverage furnished to each participant. Health insurers proposing to issue forms providing coverage under this section shall clearly disclose the intended purposes for such policies, ~~or~~ contracts or evidence

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**of coverage** when submitting the forms to the Commission for approval in accordance with § 38.2-316.

Senate Bill 642 is identical to House Bill 556.

**Date:** 02/10/10 V. Tompkins  
**cc:** Secretary of Health and Human Resources