

## State Corporation Commission 2011 Fiscal Impact Statement

**1. Bill Number:** HB1928

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Marshall, D.W.

**3. Committee:** Commerce and Labor

**4. Title:** Health insurance; independent external reviews.

**5. Summary:** Expands the scope of Virginia's process for independent reviews of a health carrier's adverse decision regarding covered health care benefits, in order to comply with requirements of the federal Patient Protection and Affordable Care Act. (PPACA). The measure (i) eliminates the minimum eligibility threshold, (ii) eliminates the \$50 filing fee, and (iii) expands situations for which an independent external review may be requested to include covered persons of all licensed health carriers. Insurers are required to incur the full cost of every review.

**6. Budget amendment necessary:** No

**7. Fiscal Impact Estimates:** No Fiscal Impact on the State Corporation Commission

**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:** House Bill 1928 was introduced by the patron at the request of the State Corporation Commission Bureau of Insurance. The bill revises the existing independent external review statute to track the Uniform Health Carrier External Review Model Act prepared by the National Association of Insurance Commissioners, the standard required by the federal PPACA to be adopted for all state external review programs by July 1, 2011. The failure of a state to meet the federal standard would result in insurers and health plans being required to use a federal program for external reviews.

House Bill 1928  
Page 2

An amendment in the nature of a substitute to House Bill 1928 is currently being prepared to incorporate provisions currently contained in House Bill 1958 and to address concerns of interested parties.

**Date:** 01/30/11/V. Tompkins  
**cc:** Secretary of Commerce and Trade  
Secretary of Health and Human Resources