

## State Corporation Commission 2013 Fiscal Impact Statement

**1. Bill Number:** SB921

<b>House of Origin</b>	<input 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 checked="" type="checkbox"/> Enrolled

**2. Patron:** Watkins

**3. Committee:** Passed Both Houses

**4. Title:** Health insurance reform.

**5. Summary:** Health insurance reform. Revises Virginia's laws pertaining to the regulation of health insurance and related products in order to be consistent with relevant requirements of the federal Affordable Care Act (PPACA). These requirements become effective on January 1, 2014. The bill prohibits preexisting condition exclusions; eliminates annual dollar limits for essential health benefits; provides for maximum limits on cost-sharing requirements for essential health benefits; limits underwriting to be based on age, tobacco use, geographic rating area, and whether coverage is individual or family; requires guaranteed availability and guaranteed renewability of coverage; prohibits discrimination based on health status; requires that plans include essential health benefits prohibits waiting periods that exceed 90 days requires coverage for individuals participating in clinical trials for life threatening illnesses; requires parity for mental health and substance use disorder benefits; creates provisions for wellness programs, and, effective 1/1/16, expands small employer groups from those with no more than 50 employees to no more than 100 employees. The bill also amends certain definitions in § 38.2-3431 and deletes the requirements as it relates to the "essential and standard" plans.

**6. Budget amendment necessary:** No

**7. Fiscal Impact Estimates:** Not Available. See Line 8.

**8. Fiscal implications:** The requirements of Senate Bill 921, as well as the requirements of federal law, will result in new form and rate filings from all insurance companies marketing health insurance policies in the Commonwealth. The additional filings will cause a significant increase in staff workload for the State Corporation Commission Bureau of Insurance. The Commission will use existing staff resources to absorb this increase.

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

**10. Technical amendment necessary:** No

**11. Other comments:** Senate Bill 921 affects all insurance companies issuing health insurance policies in the Commonwealth and will give the Bureau of Insurance the authority to enforce the requirements of the Affordable Care Act (ACA) applicable to policies issued or renewed on or after January 1, 2014. SB 921 also includes enactment clauses that repeal sunset provisions on the immediate market reforms and the internal appeal and external review requirements, which were enacted by the General Assembly in 2011. Passage of SB 921 will remove conflicts between federal and state requirements, which will allow for enforcement of these provisions by the Bureau of Insurance.

Senate Bill 921 is identical to House Bill 1900.

**Date:** 03/12/13/V. Tompkins

cc: Secretary of Health and Human Resources