

State Corporation Commission

2015 Fiscal Impact Statement

1. Bill Number: HB1747

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

2. Patron: O'Bannon

3. Committee: Passed Both Houses

4. Title: Health insurance; mental health parity.

5. Summary: Health insurance; mental health parity. Conforms certain requirements regarding coverage for mental health and substance use disorders to provisions of the federal Mental Health Parity and Addiction Equity Act. The measure requires that group and individual health insurance coverage shall provide mental health and substance use disorder benefits. Such benefits shall be in parity with the medical and surgical benefits contained in the coverage in accordance with the federal Mental Health Parity and Addiction Equity Act of 2008, even where those requirements would not otherwise apply directly. The measure requires the BOI, in consultation with health carriers providing coverage for mental health and substance use disorder benefits, to develop reporting requirements regarding denied claims, complaints, and appeals involving such coverage, and, beginning in 2017 for the year preceding, compile this information into an annual report to be posted on the BOI's internet webpage.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: Fiscal impact estimates are not available. See Line 8.

8. Fiscal implications: Enactment of House Bill 1747 requires the State Corporation Commission Bureau of Insurance (Bureau) to issue a new report annually beginning in 2017 based on information collected from health carriers on denial rates, complaints and appeals in Virginia for mental health and substance use disorder benefits. To issue and post a new report annually, the Bureau would need to request information from carriers and compile this information in a manner which maintains the confidentiality of individuals whose information has been reported. The new report requirement would necessitate the development of an automated functionality for reporting, receiving and compiling the data, as this data is not currently captured or maintained by the Bureau.

There would also be enhanced market conduct examination procedures to review the plans' denial rates, but the fiscal impact of those procedures would be minimal.

9. Specific agency or political subdivisions affected: State Corporation Commission and the Commission's Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: Virginia law has historically required coverage of mental health and substance abuse benefits of some sort in group and individual health insurance coverage. This bill clarifies that mental health and substance use disorder benefits must be covered for individual and group health insurance coverage, and must be provided in parity for all but grandfathered small groups.

Date: 02/26/15/V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources