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HOUSE BILL NO. 1037

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on February 17, 2020)

(Patron Prior to Substitute—Delegate Rasoul)

A BILL to amend the Code of Virginia by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.21, relating to health insurance; short-term limited-duration medical plans.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.21 as follows:

§ 38.2-3407.21. Short-term limited-duration medical plans.

A. As used in this section:

"Carrier" means any entity that is authorized to sell, offer, or provide a short-term limited-duration medical plan.

"Covered person" means a policyholder, subscriber, enrollee, participant, or other individual who is entitled to health care services provided, arranged for, paid for, or reimbursed pursuant to a short-term limited-duration medical plan.

"PPACA" has the meaning ascribed thereto in § 38.2-3438.

"Short-term limited-duration medical plan" has the same meaning as short-term limited-duration insurance as used in 26 C.F.R. § 54.9801-2, 29 C.F.R. § 2590.701-2 and 45 C.F.R. § 144.103 except as described in subsection B.

B. No carrier shall issue, deliver, issue for delivery, reissue, or extend in the Commonwealth on and after July 1, 2021, any short-term limited-duration medical plan:

1. With a duration that exceeds three months;

2. That can be renewed or extended if the renewal or extension would result in such coverage being effective for more than six months, notwithstanding § 38.2-3514.2; or

3. If the issuance, delivery, reissuance, or extension of the short-term limited-duration medical plan would result in a covered person being covered by a short-term limited-duration medical plan for more than six months in any 12-month period.

C. No carrier shall issue a short-term limited-duration medical plan during an annual open enrollment period.

D. Any certificate delivered in the Commonwealth that is issued under a short-term limited-duration medical plan in any other jurisdiction shall comply with the requirements of this section.