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SENATE BILL NO. 404

Senate Amendments in [] - February 4, 2020

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.

Patrons Prior to Engrossment—Senator Hashmi; Delegate: Rasoul

Referred to Committee on Commerce and Labor

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, [2020 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 [~~three~~ 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. [~~The requirements of the PPACA that require carriers to rebate premiums to covered persons when the medical loss ratio for health benefit plans exceeds certain levels shall apply to short-term limited-duration medical plans issued in the Commonwealth except that each carrier shall rebate premiums from its issuance of short-term limited-duration medical plans to the plans' policyholders if, and to the extent that, the medical loss ratio for the short-term limited-duration medical plans is less than 85 percent.~~] [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.]

ENGROSSED

SB404E