

State Corporation Commission 2020 Fiscal Impact Statement

1. Bill Number: SB1031

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Barker

3. Committee: Labor and Commerce

4. Title: Health insurance; coverage for autism spectrum disorder; individual and small group markets.

5. Summary: Eliminates the exemption from the requirements to provide coverage for the diagnosis and treatment of autism spectrum disorder for insurers, corporations, and organizations issuing policies, contracts, and plans in the individual and small group markets. Under current law, only policies, contracts, and plans issued in the large group market are required to provide such coverage. The requirements of this section shall apply to policies subscription contracts and health care plans issued for delivery, reissued, or extended on or after January 1, 2021.

6. Budget Amendment Necessary: No. See Item 8.

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission. The impact on the State Health Insurance Plan is unknown at this time.

8. Fiscal Implications: Although there is no fiscal impact on the State Corporation Commission and the potential impact on the State Health Insurance Fund of the Virginia Department of Human Resource Management is unknown at this time, there is a potential fiscal impact on the Commonwealth since Senate Bill 1031 provides for benefits which could be considered in excess of the Essential Health Benefits. The amount of fiscal impact is unknown and should be studied by the Health Insurance Reform Commission. The HIRC considers potential cost to the Commonwealth in its deliberations pursuant to Section C of § 30-343, including any estimated additional costs that the Commonwealth may be responsible for pursuant to § 1311(d)(3)(B) of the Patient Protection and Affordable Care Act. See also the comments in Item 11.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission Bureau of Insurance and the Department of Health Resource Management

10. Technical Amendment Necessary: No

11. Other Comments: On the basis of analysis by the State Corporation Commission Bureau of Insurance, there is a high likelihood that benefits proposed in Senate Bill 1031 could be considered a mandate which exceeds the EHBs, for which the Commonwealth would need to issue payment to insurance carriers for the portion of qualified health plan premium

attributable to the proposed benefit. The Bureau of Insurance is aware of stakeholders who do not agree with this position. Consideration should, therefore, be given to referring Senate Bill 1031 to the Health Insurance Reform Commission for review of the issues.

Senate Bill 1031 extends the autism spectrum disorder coverage mandate, originally enacted in 2011, to the individual and small group markets. Subsection L of § 38.2-3418.17 requires that to the extent that this section requires benefits that exceed the Essential Health Benefits (EHBs) of the ACA, qualified health plans sold in the exchange are exempt from the extension of the coverage mandate. The Centers for Medicare and Medicaid Services, however, have indicated that a differential application of a state's autism mandate may raise concerns under Section 1252 of the Affordable Care Act, which provides that ACA requirements must be applied uniformly to all health plans in each insurance market to which the standard applies. This issue could also be reviewed by the Health Insurance Reform Commission.

House Bill 1043 was identical to Senate Bill 1031. House Bill 1043 was incorporated into House Bill 1503, which has passed the House.

Date: 2/17/20/V.Tompkins