

1 HOUSE BILL NO. 248

2 AMENDMENT IN THE NATURE OF A SUBSTITUTE

3 (Proposed by the House Committee on Health, Welfare and Institutions

4 on _____)

5 (Patron Prior to Substitute--Delegate Davis)

6 A BILL to require the Department of Health, through its contract with the nonprofit organization with
7 which it enters agreements for certain data services, to develop and implement a methodology for
8 evaluating the efficiency and productivity of carriers and managed care health insurance plans.

9 **Be it enacted by the General Assembly of Virginia:**

10 1. § 1. That the Department of Health (the Department), through its contract with the nonprofit
11 organization described in § 32.1-276.4 of the Code of Virginia and in consultation with the Bureau of
12 Insurance of the State Corporation Commission (the Bureau), shall by July 1, 2023, (i) develop and
13 implement a methodology to review and measure the efficiency and productivity of carriers, as defined in
14 § 38.2-3407.10 of the Code of Virginia, other than limited scope dental or vision plans licensed pursuant
15 to Chapter 45 (§ 38.2-4500 et seq.) of Title 38.2, and managed care health insurance plans, as defined in
16 § 38.2-5800 of the Code of Virginia and certified by the Department pursuant to § 32.1-137.2 of the Code
17 of Virginia, and (ii) make available to the public on a website maintained by the nonprofit organization
18 such data and information and other reports collected or produced as a result of implementation of such
19 methodology.

20 § 2. The methodology described in § 1 shall:

21 1. Include provisions for comparisons of a specific carrier's or managed care health insurance plan's
22 performance to (i) national and regional performance metrics for carriers or managed care health insurance
23 plans, as appropriate, and (ii) other carriers or managed care health insurance plans, as appropriate;

24 2. Provide for the collection of data and information necessary to evaluate or compare (i) annual
25 premium rates and changes to such rates over time; (ii) medical loss ratios and changes to such ratios over
26 time; (iii) cost sharing levels and changes to such levels over time; and (iv) expenditures on inpatient

27 hospital services, outpatient hospital services, emergency services, physician services, pharmaceuticals,
28 and other major spending categories, and changes to such expenditures over time; and

29 3. Utilize data compiled by the Bureau and submitted to the nonprofit organization, data from data
30 sources maintained by the Bureau and the Department, and other publicly available data sources.

31 Such methodology may include different methodologies for the assessment of various types of
32 carriers and managed care health insurance plans.

33 § 3. Data submitted by the Bureau to the Department or the nonprofit organization in accordance
34 with this act shall be provided in a secure manner to protect the safety and confidentiality of any
35 proprietary information of any carrier or managed care health insurance plan.

36 § 4. The Bureau shall convene a stakeholder work group composed of representatives of the
37 Department, the nonprofit organization described in § 32.1-276.4 of the Code of Virginia, the Virginia
38 Association of Health Plans, the Virginia Hospital and Healthcare Association, the Medical Society of
39 Virginia, and other such stakeholders as the Bureau deems appropriate to (i) provide input on the
40 development of the methodology described in § 1; (ii) identify additional measures to increase the
41 transparency of information provided to the Bureau by carriers, managed care health insurance plans, and
42 health care providers; and (iii) determine what additional information should be provided to the nonprofit
43 organization by carriers, managed care health insurance plan providers, and health care providers to
44 increase competition among both carriers and health care providers and assist consumers in making
45 educated decisions regarding options for health care coverage and access. The workgroup shall report its
46 findings and recommendations to the Governor and the Chairmen of the House Committee on Health,
47 Welfare and Institutions and the Senate Committee on Education and Health by November 1, 2022.

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