

SENATE BILL NO. 202

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Commerce and Labor

on \_\_\_\_\_)

(Patron Prior to Substitute--Senator Diggs)

A BILL to amend and reenact § 38.2-3540.1 of the Code of Virginia, relating to health insurance; claims experience.

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

**1. That § 38.2-3540.1 of the Code of Virginia is amended and reenacted as follows:**

**§ 38.2-3540.1. Claims experience.**

A. Each group accident and sickness insurance policy and health care plan shall contain a provision which provides that the insurer, upon request, shall provide a policyholder that employed an average of at least ~~100~~ 50 individuals who were insureds, subscribers, or enrollees on business days during the preceding 12-month period with a complete record of the policyholder's medical claims experience or medical costs incurred under the group policy, contract or plan. This record shall include all claims incurred for the lesser of (i) the period of time since the policy, contract or plan was issued or issued for delivery or (ii) the period of time since the policy, contract, or plan was last renewed, reissued or extended, if already issued. This record shall be made available promptly to the policyholder upon request made not less than 30 days prior to the date upon which the premiums or contractual terms of the policy, contract or plan may be amended. Nothing in this section shall require the disclosure of personal or privileged information about an individual that is protected from disclosure under Chapter 6 (§ 38.2-600 et seq.) of this title, or under any other applicable federal or state law or regulation. No policyholder shall be required to pay for information requested pursuant to this section.

B. A policyholder that employed an average of at least ~~100~~ 50 individuals who were insureds, subscribers or enrollees on business days during the preceding 12-month period shall receive from its insurer, upon request, at the time that the insurer provides a record of medical claims experience or medical

27 costs under subsection A of this section (i) a summary of medical claims charges or medical costs incurred  
28 and the amount paid with respect to those claims for the most recently available 24-month period; (ii) a  
29 listing of the number of insured, subscribers or enrollees for whom combined medical claims payments  
30 or medical costs exceed \$100,000 for the most recently available 12-month period, and for the preceding  
31 12 months if not previously provided, with information as to whether these enrollees from the most  
32 recently available 12-month period remain enrolled under the policy, and provided that a policyholder and  
33 insurer may agree by contract to provide the listing for amounts less than \$100,000; and (iii) total  
34 enrollment in each membership type as of the end of the most recently available 12-month period. This  
35 record shall be made available to the policyholder within 20 business days upon written request made not  
36 less than 45 days prior to the date upon which the premiums or contractual terms of the policy may be  
37 amended. Nothing in this section shall require the disclosure of personal or privileged information about  
38 an individual that is protected from disclosure under Chapter 6 (§ 38.2-600 et seq.) of this title, or under  
39 any other applicable federal or state law or regulation. No policyholder shall be required to pay for  
40 information requested pursuant to this section.

41 C. With respect to group accident and sickness insurance policies, the requirements of this section  
42 shall apply to all policies, contracts, and plans delivered, issued for delivery, reissued or extended on and  
43 after July 1, 2003, or at any time after the effective date hereof when any term of any such policy, contract  
44 or plan is changed or any premium adjustment is made. With respect to health care plans, the requirements  
45 of this section shall apply to all contracts delivered, issued for delivery, reissued or extended on and after  
46 January 1, 2005, or at any time after the effective date hereof when any term of any such contract or plan  
47 is changed or any premium adjustment is made.

48 #