

State Corporation Commission

2024 Session Fiscal Impact Statement

1. Bill Number: HB445

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Williams

3. Committee: Committee on Labor and Commerce

4. Title: Health insurance; dental plans; approval of rates and medical loss ratio.

5. Summary: Requires the State Corporation Commission to review and approve premium rates applicable to dental plans issued in the Commonwealth. Under the bill, benefits are deemed to be reasonable in relation to premiums, provided that the medical loss ratio of the policy form, including riders and endorsements, is at least as great as 85 percent. The bill provides that if the Commission finds that the premium rate filed is not meeting or will not meet a medical loss ratio of 85 percent, the Commission shall require appropriate rate adjustments, premium refunds, or premium credits as deemed necessary for the coverage to conform with the medical loss ratio standard of 85 percent.

6. Budget Amendment Necessary: Yes. Item 489

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: The State Corporation Commission does not currently review and approve premium rates applicable to dental plans issued in the Commonwealth. The proposed legislation would have a fiscal impact on the Commission. The Bureau estimates hiring one additional entry-level examiner to handle the additional workload. The FY2025 cost for this increase in staff and associated actuarial costs associated with review of premium rates as directed by House Bill 445 is estimated at \$134,000 in FY25 (which includes one-time costs for space and equipment needs) and \$131,500 in FY26.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission
Bureau of Insurance

10. Technical Amendment Necessary: No

11. Other Comments: None