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**HOUSE BILL NO. 2097**

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
 (Proposed by the House Committee on Labor and Commerce  
 on January 23, 2025)

(Patron Prior to Substitute—Delegate Austin)

*A BILL to amend and reenact §§ 2.2-2818, 32.1-325, 38.2-3406.1, and 38.2-3418.7 of the Code of Virginia, relating to health insurance; coverage for prostate cancer screening.*

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

**1. That §§ 2.2-2818, 32.1-325, 38.2-3406.1, and 38.2-3418.7 of the Code of Virginia are amended and reenacted as follows:**

**§ 2.2-2818. Health and related insurance for state employees.**

A. The Department of Human Resource Management shall establish a plan, subject to the approval of the Governor, for providing health insurance coverage, including chiropractic treatment, hospitalization, medical, surgical, and major medical coverage, for state employees and retired state employees with the Commonwealth paying the cost thereof to the extent of the coverage included in such plan. The same plan shall be offered to all part-time state employees, but the total cost shall be paid by such part-time employees. The Department of Human Resource Management shall administer this section. The plan chosen shall provide means whereby coverage for the families or dependents of state employees may be purchased. Except for part-time employees, the Commonwealth may pay all or a portion of the cost thereof, and for such portion as the Commonwealth does not pay, the employee, including a part-time employee, may purchase the coverage by paying the additional cost over the cost of coverage for an employee.

Such contribution shall be financed through appropriations provided by law.

B. The plan shall:

1. Include coverage for low-dose screening mammograms for determining the presence of occult breast cancer. Such coverage shall make available one screening mammogram to persons age 35 through 39, one such mammogram biennially to persons age 40 through 49, and one such mammogram annually to persons age 50 and over and may be limited to a benefit of \$50 per mammogram subject to such dollar limits, deductibles, and coinsurance factors as are no less favorable than for physical illness generally.

The term "mammogram" shall mean an X-ray examination of the breast using equipment dedicated specifically for mammography, including but not limited to the X-ray tube, filter, compression device, screens, film, and cassettes, with an average radiation exposure of less than one rad mid-breast, two views of each breast.

In order to be considered a screening mammogram for which coverage shall be made available under this section:

a. The mammogram shall be (i) ordered by a health care practitioner acting within the scope of his licensure and, in the case of an enrollee of a health maintenance organization, by the health maintenance organization provider; (ii) performed by a registered technologist; (iii) interpreted by a qualified radiologist; and (iv) performed under the direction of a person licensed to practice medicine and surgery and certified by the American Board of Radiology or an equivalent examining body. A copy of the mammogram report shall be sent or delivered to the health care practitioner who ordered it;

b. The equipment used to perform the mammogram shall meet the standards set forth by the Virginia Department of Health in its radiation protection regulations; and

c. The mammography film shall be retained by the radiologic facility performing the examination in accordance with the American College of Radiology guidelines or state law.

2. Include coverage for postpartum services providing inpatient care and a home visit or visits that shall be in accordance with the medical criteria, outlined in the most current version of or an official update to the "Guidelines for Perinatal Care" prepared by the American Academy of Pediatrics and the American College of Obstetricians and Gynecologists or the "Standards for Obstetric-Gynecologic Services" prepared by the American College of Obstetricians and Gynecologists. Such coverage shall be provided incorporating any changes in such Guidelines or Standards within six months of the publication of such Guidelines or Standards or any official amendment thereto.

3. Include an appeals process for resolution of complaints that shall provide reasonable procedures for the resolution of such complaints and shall be published and disseminated to all covered state employees. The appeals process shall be compliant with federal rules and regulations governing nonfederal, self-insured governmental health plans. The appeals process shall include a separate expedited emergency appeals procedure that shall provide resolution within time frames established by federal law. For appeals involving adverse decisions as defined in § 32.1-137.7, the Department shall contract with one or more independent review organizations to review such decisions. Independent review organizations are entities that conduct independent external review of adverse benefit determinations. The Department shall adopt regulations to

60 assure that the independent review organization conducting the reviews has adequate standards, credentials  
61 and experience for such review. The independent review organization shall examine the final denial of claims  
62 to determine whether the decision is objective, clinically valid, and compatible with established principles of  
63 health care. The decision of the independent review organization shall (i) be in writing, (ii) contain findings  
64 of fact as to the material issues in the case and the basis for those findings, and (iii) be final and binding if  
65 consistent with law and policy.

66 Prior to assigning an appeal to an independent review organization, the Department shall verify that the  
67 independent review organization conducting the review of a denial of claims has no relationship or  
68 association with (i) the covered person or the covered person's authorized representative; (ii) the treating  
69 health care provider, or any of its employees or affiliates; (iii) the medical care facility at which the covered  
70 service would be provided, or any of its employees or affiliates; or (iv) the development or manufacture of  
71 the drug, device, procedure, or other therapy that is the subject of the final denial of a claim. The independent  
72 review organization shall not be a subsidiary of, nor owned or controlled by, a health plan, a trade association  
73 of health plans, or a professional association of health care providers. There shall be no liability on the part of  
74 and no cause of action shall arise against any officer or employee of an independent review organization for  
75 any actions taken or not taken or statements made by such officer or employee in good faith in the  
76 performance of his powers and duties.

77 4. Include coverage for early intervention services. For purposes of this section, "early intervention  
78 services" means medically necessary speech and language therapy, occupational therapy, physical therapy  
79 and assistive technology services and devices for dependents from birth to age three who are certified by the  
80 Department of Behavioral Health and Developmental Services as eligible for services under Part H of the  
81 Individuals with Disabilities Education Act (20 U.S.C. § 1471 et seq.). Medically necessary early intervention  
82 services for the population certified by the Department of Behavioral Health and Developmental Services  
83 shall mean those services designed to help an individual attain or retain the capability to function age-  
84 appropriately within his environment, and shall include services that enhance functional ability without  
85 effecting a cure.

86 For persons previously covered under the plan, there shall be no denial of coverage due to the existence of  
87 a preexisting condition. The cost of early intervention services shall not be applied to any contractual  
88 provision limiting the total amount of coverage paid by the insurer to or on behalf of the insured during the  
89 insured's lifetime.

90 5. Include coverage for prescription drugs and devices approved by the United States Food and Drug  
91 Administration for use as contraceptives.

92 6. Not deny coverage for any drug approved by the United States Food and Drug Administration for use  
93 in the treatment of cancer on the basis that the drug has not been approved by the United States Food and  
94 Drug Administration for the treatment of the specific type of cancer for which the drug has been prescribed, if  
95 the drug has been recognized as safe and effective for treatment of that specific type of cancer in one of the  
96 standard reference compendia.

97 7. Not deny coverage for any drug prescribed to treat a covered indication so long as the drug has been  
98 approved by the United States Food and Drug Administration for at least one indication and the drug is  
99 recognized for treatment of the covered indication in one of the standard reference compendia or in  
100 substantially accepted peer-reviewed medical literature.

101 8. Include coverage for equipment, supplies, and outpatient self-management training and education,  
102 including medical nutrition therapy, for the treatment of insulin-dependent diabetes, insulin-using diabetes,  
103 gestational diabetes, and noninsulin-using diabetes if prescribed by a health care professional legally  
104 authorized to prescribe such items under law. To qualify for coverage under this subdivision, diabetes  
105 outpatient self-management training and education shall be provided by a certified, registered, or licensed  
106 health care professional.

107 9. Include coverage for reconstructive breast surgery. For purposes of this section, "reconstructive breast  
108 surgery" means surgery performed on and after July 1, 1998, (i) coincident with a mastectomy performed for  
109 breast cancer or (ii) following a mastectomy performed for breast cancer to reestablish symmetry between the  
110 two breasts. For persons previously covered under the plan, there shall be no denial of coverage due to  
111 preexisting conditions.

112 10. Include coverage for annual pap smears, including coverage, on and after July 1, 1999, for annual  
113 testing performed by any FDA-approved gynecologic cytology screening technologies.

114 11. Include coverage providing a minimum stay in the hospital of not less than 48 hours for a patient  
115 following a radical or modified radical mastectomy and 24 hours of inpatient care following a total  
116 mastectomy or a partial mastectomy with lymph node dissection for treatment of breast cancer. Nothing in  
117 this subdivision shall be construed as requiring the provision of inpatient coverage where the attending  
118 physician in consultation with the patient determines that a shorter period of hospital stay is appropriate.

119 12. Include coverage (i) to persons age 50 and over and (ii) to persons age 40 and over who are at high  
120 risk for prostate cancer, according to the most recent published guidelines of the American Cancer Society,

121 for one ~~PSA~~ *prostate-specific antigen* test in a 12-month period and digital rectal examinations, ~~all in~~  
122 accordance with American Cancer Society guidelines. For the purpose of this subdivision, "PSA testing"  
123 means the analysis of a blood sample to determine the level of prostate specific antigen.

124 13. Permit any individual covered under the plan direct access to the health care services of a participating  
125 specialist (i) authorized to provide services under the plan and (ii) selected by the covered individual. The  
126 plan shall have a procedure by which an individual who has an ongoing special condition may, after  
127 consultation with the primary care physician, receive a referral to a specialist for such condition who shall be  
128 responsible for and capable of providing and coordinating the individual's primary and specialty care related  
129 to the initial specialty care referral. If such an individual's care would most appropriately be coordinated by  
130 such a specialist, the plan shall refer the individual to a specialist. For the purposes of this subdivision,  
131 "special condition" means a condition or disease that is (i) life-threatening, degenerative, or disabling and (ii)  
132 requires specialized medical care over a prolonged period of time. Within the treatment period authorized by  
133 the referral, such specialist shall be permitted to treat the individual without a further referral from the  
134 individual's primary care provider and may authorize such referrals, procedures, tests, and other medical  
135 services related to the initial referral as the individual's primary care provider would otherwise be permitted  
136 to provide or authorize. The plan shall have a procedure by which an individual who has an ongoing special  
137 condition that requires ongoing care from a specialist may receive a standing referral to such specialist for the  
138 treatment of the special condition. If the primary care provider, in consultation with the plan and the  
139 specialist, if any, determines that such a standing referral is appropriate, the plan or issuer shall make such a  
140 referral to a specialist. Nothing contained herein shall prohibit the plan from requiring a participating  
141 specialist to provide written notification to the covered individual's primary care physician of any visit to  
142 such specialist. Such notification may include a description of the health care services rendered at the time of  
143 the visit.

144 14. Include provisions allowing employees to continue receiving health care services for a period of up to  
145 90 days from the date of the primary care physician's notice of termination from any of the plan's provider  
146 panels. The plan shall notify any provider at least 90 days prior to the date of termination of the provider,  
147 except when the provider is terminated for cause.

148 For a period of at least 90 days from the date of the notice of a provider's termination from any of the  
149 plan's provider panels, except when a provider is terminated for cause, a provider shall be permitted by the  
150 plan to render health care services to any of the covered employees who (i) were in an active course of  
151 treatment from the provider prior to the notice of termination and (ii) request to continue receiving health care  
152 services from the provider.

153 Notwithstanding the provisions of this subdivision, any provider shall be permitted by the plan to continue  
154 rendering health services to any covered employee who has entered the second trimester of pregnancy at the  
155 time of the provider's termination of participation, except when a provider is terminated for cause. Such  
156 treatment shall, at the covered employee's option, continue through the provision of postpartum care directly  
157 related to the delivery.

158 Notwithstanding the provisions of this subdivision, any provider shall be permitted to continue rendering  
159 health services to any covered employee who is determined to be terminally ill (as defined under §  
160 1861(dd)(3)(A) of the Social Security Act) at the time of a provider's termination of participation, except  
161 when a provider is terminated for cause. Such treatment shall, at the covered employee's option, continue for  
162 the remainder of the employee's life for care directly related to the treatment of the terminal illness.

163 A provider who continues to render health care services pursuant to this subdivision shall be reimbursed  
164 in accordance with the carrier's agreement with such provider existing immediately before the provider's  
165 termination of participation.

166 15. Include coverage for patient costs incurred during participation in clinical trials for treatment studies  
167 on cancer, including ovarian cancer trials.

168 The reimbursement for patient costs incurred during participation in clinical trials for treatment studies on  
169 cancer shall be determined in the same manner as reimbursement is determined for other medical and surgical  
170 procedures. Such coverage shall have durational limits, dollar limits, deductibles, copayments, and  
171 coinsurance factors that are no less favorable than for physical illness generally.

172 For purposes of this subdivision:

173 "Cooperative group" means a formal network of facilities that collaborate on research projects and have  
174 an established NIH-approved peer review program operating within the group. "Cooperative group" includes  
175 (i) the National Cancer Institute Clinical Cooperative Group and (ii) the National Cancer Institute  
176 Community Clinical Oncology Program.

177 "FDA" means the Federal Food and Drug Administration.

178 "Multiple project assurance contract" means a contract between an institution and the federal Department  
179 of Health and Human Services that defines the relationship of the institution to the federal Department of  
180 Health and Human Services and sets out the responsibilities of the institution and the procedures that will be  
181 used by the institution to protect human subjects.

182 "NCI" means the National Cancer Institute.

183 "NIH" means the National Institutes of Health.

184 "Patient" means a person covered under the plan established pursuant to this section.

185 "Patient cost" means the cost of a medically necessary health care service that is incurred as a result of the  
186 treatment being provided to a patient for purposes of a clinical trial. "Patient cost" does not include (i) the  
187 cost of nonhealth care services that a patient may be required to receive as a result of the treatment being  
188 provided for purposes of a clinical trial, (ii) costs associated with managing the research associated with the  
189 clinical trial, or (iii) the cost of the investigational drug or device.

190 Coverage for patient costs incurred during clinical trials for treatment studies on cancer shall be provided  
191 if the treatment is being conducted in a Phase II, Phase III, or Phase IV clinical trial. Such treatment may,  
192 however, be provided on a case-by-case basis if the treatment is being provided in a Phase I clinical trial.

193 The treatment described in the previous paragraph shall be provided by a clinical trial approved by:

194 a. The National Cancer Institute;

195 b. An NCI cooperative group or an NCI center;

196 c. The FDA in the form of an investigational new drug application;

197 d. The federal Department of Veterans Affairs; or

198 e. An institutional review board of an institution in the Commonwealth that has a multiple project  
199 assurance contract approved by the Office of Protection from Research Risks of the NCI.

200 The facility and personnel providing the treatment shall be capable of doing so by virtue of their  
201 experience, training, and expertise.

202 Coverage under this subdivision shall apply only if:

203 (1) There is no clearly superior, noninvestigational treatment alternative;

204 (2) The available clinical or preclinical data provide a reasonable expectation that the treatment will be at  
205 least as effective as the noninvestigational alternative; and

206 (3) The patient and the physician or health care provider who provides services to the patient under the  
207 plan conclude that the patient's participation in the clinical trial would be appropriate, pursuant to procedures  
208 established by the plan.

209 16. Include coverage providing a minimum stay in the hospital of not less than 23 hours for a covered  
210 employee following a laparoscopy-assisted vaginal hysterectomy and 48 hours for a covered employee  
211 following a vaginal hysterectomy, as outlined in Milliman & Robertson's nationally recognized guidelines.  
212 Nothing in this subdivision shall be construed as requiring the provision of the total hours referenced when  
213 the attending physician, in consultation with the covered employee, determines that a shorter hospital stay is  
214 appropriate.

215 17. Include coverage for biologically based mental illness.

216 For purposes of this subdivision, a "biologically based mental illness" is any mental or nervous condition  
217 caused by a biological disorder of the brain that results in a clinically significant syndrome that substantially  
218 limits the person's functioning; specifically, the following diagnoses are defined as biologically based mental  
219 illness as they apply to adults and children: schizophrenia, schizoaffective disorder, bipolar disorder, major  
220 depressive disorder, panic disorder, obsessive-compulsive disorder, attention deficit hyperactivity disorder,  
221 autism, and drug and alcoholism addiction.

222 Coverage for biologically based mental illnesses shall neither be different nor separate from coverage for  
223 any other illness, condition, or disorder for purposes of determining deductibles, benefit year or lifetime  
224 durational limits, benefit year or lifetime dollar limits, lifetime episodes or treatment limits, copayment and  
225 coinsurance factors, and benefit year maximum for deductibles and copayment and coinsurance factors.

226 Nothing shall preclude the undertaking of usual and customary procedures to determine the  
227 appropriateness of, and medical necessity for, treatment of biologically based mental illnesses under this  
228 option, provided that all such appropriateness and medical necessity determinations are made in the same  
229 manner as those determinations made for the treatment of any other illness, condition, or disorder covered by  
230 such policy or contract.

231 18. Offer and make available coverage for the treatment of morbid obesity through gastric bypass surgery  
232 or such other methods as may be recognized by the National Institutes of Health as effective for the long-term  
233 reversal of morbid obesity. Such coverage shall have durational limits, dollar limits, deductibles, copayments,  
234 and coinsurance factors that are no less favorable than for physical illness generally. Access to surgery for  
235 morbid obesity shall not be restricted based upon dietary or any other criteria not approved by the National  
236 Institutes of Health. For purposes of this subdivision, "morbid obesity" means (i) a weight that is at least 100  
237 pounds over or twice the ideal weight for frame, age, height, and gender as specified in the 1983 Metropolitan  
238 Life Insurance tables, (ii) a body mass index (BMI) equal to or greater than 35 kilograms per meter squared  
239 with comorbidity or coexisting medical conditions such as hypertension, cardiopulmonary conditions, sleep  
240 apnea, or diabetes, or (iii) a BMI of 40 kilograms per meter squared without such comorbidity. As used  
241 herein, "BMI" equals weight in kilograms divided by height in meters squared.

242 19. Include coverage for colorectal cancer screening, specifically screening with an annual fecal occult  
243 blood test, flexible sigmoidoscopy or colonoscopy, or in appropriate circumstances radiologic imaging, in

244 accordance with the most recently published recommendations established by the American College of  
 245 Gastroenterology, in consultation with the American Cancer Society, for the ages, family histories, and  
 246 frequencies referenced in such recommendations. The coverage for colorectal cancer screening shall not be  
 247 more restrictive than or separate from coverage provided for any other illness, condition, or disorder for  
 248 purposes of determining deductibles, benefit year or lifetime durational limits, benefit year or lifetime dollar  
 249 limits, lifetime episodes or treatment limits, copayment and coinsurance factors, and benefit year maximum  
 250 for deductibles and copayments and coinsurance factors.

251 20. On and after July 1, 2002, require that a prescription benefit card, health insurance benefit card, or  
 252 other technology that complies with the requirements set forth in § 38.2-3407.4:2 be issued to each employee  
 253 provided coverage pursuant to this section, and shall upon any changes in the required data elements set forth  
 254 in subsection A of § 38.2-3407.4:2, either reissue the card or provide employees covered under the plan such  
 255 corrective information as may be required to electronically process a prescription claim.

256 21. Include coverage for infant hearing screenings and all necessary audiological examinations provided  
 257 pursuant to § 32.1-64.1 using any technology approved by the United States Food and Drug Administration,  
 258 and as recommended by the national Joint Committee on Infant Hearing in its most current position statement  
 259 addressing early hearing detection and intervention programs. Such coverage shall include follow-up  
 260 audiological examinations as recommended by a physician, a physician assistant, an advanced practice  
 261 registered nurse, or an audiologist and performed by a licensed audiologist to confirm the existence or  
 262 absence of hearing loss.

263 22. Notwithstanding any provision of this section to the contrary, every plan established in accordance  
 264 with this section shall comply with the provisions of § 2.2-2818.2.

265 C. Claims incurred during a fiscal year but not reported during that fiscal year shall be paid from such  
 266 funds as shall be appropriated by law. Appropriations, premiums, and other payments shall be deposited in  
 267 the employee health insurance fund, from which payments for claims, premiums, cost containment programs,  
 268 and administrative expenses shall be withdrawn from time to time. The funds of the health insurance fund  
 269 shall be deemed separate and independent trust funds, shall be segregated from all other funds of the  
 270 Commonwealth, and shall be invested and administered solely in the interests of the employees and their  
 271 beneficiaries. Neither the General Assembly nor any public officer, employee, or agency shall use or  
 272 authorize the use of such trust funds for any purpose other than as provided in law for benefits, refunds, and  
 273 administrative expenses, including but not limited to legislative oversight of the health insurance fund.

274 D. For the purposes of this section:

275 "Peer-reviewed medical literature" means a scientific study published only after having been critically  
 276 reviewed for scientific accuracy, validity, and reliability by unbiased independent experts in a journal that has  
 277 been determined by the International Committee of Medical Journal Editors to have met the Uniform  
 278 Requirements for Manuscripts submitted to biomedical journals. "Peer-reviewed medical literature" does not  
 279 include publications or supplements to publications that are sponsored to a significant extent by a  
 280 pharmaceutical manufacturing company or health carrier.

281 "Standard reference compendia" means:

- 282 1. American Hospital Formulary Service — Drug Information;
- 283 2. National Comprehensive Cancer Network's Drugs & Biologics Compendium; or
- 284 3. Elsevier Gold Standard's Clinical Pharmacology.

285 "State employee" means state employee as defined in § 51.1-124.3; employee as defined in § 51.1-201;  
 286 the Governor, Lieutenant Governor and Attorney General; judge as defined in § 51.1-301 and judges, clerks,  
 287 and deputy clerks of regional juvenile and domestic relations, county juvenile and domestic relations, and  
 288 district courts of the Commonwealth; interns and residents employed by the School of Medicine and Hospital  
 289 of the University of Virginia, and interns, residents, and employees of the Virginia Commonwealth  
 290 University Health System Authority as provided in § 23.1-2415; and employees of the Virginia Alcoholic  
 291 Beverage Control Authority as provided in § 4.1-101.05.

292 E. Provisions shall be made for retired employees to obtain coverage under the above plan, including, as  
 293 an option, coverage for vision and dental care. The Commonwealth may, but shall not be obligated to, pay all  
 294 or any portion of the cost thereof.

295 F. Any self-insured group health insurance plan established by the Department of Human Resource  
 296 Management that utilizes a network of preferred providers shall not exclude any physician solely on the basis  
 297 of a reprimand or censure from the Board of Medicine, so long as the physician otherwise meets the plan  
 298 criteria established by the Department.

299 G. The plan shall include, in each planning district, at least two health coverage options, each sponsored  
 300 by unrelated entities. No later than July 1, 2006, one of the health coverage options to be available in each  
 301 planning district shall be a high deductible health plan that would qualify for a health savings account  
 302 pursuant to § 223 of the Internal Revenue Code of 1986, as amended.

303 In each planning district that does not have an available health coverage alternative, the Department shall  
 304 voluntarily enter into negotiations at any time with any health coverage provider who seeks to provide

305 coverage under the plan.

306 This subsection shall not apply to any state agency authorized by the Department to establish and  
307 administer its own health insurance coverage plan separate from the plan established by the Department.

308 H. Any self-insured group health insurance plan established by the Department of Human Resource  
309 Management that includes coverage for prescription drugs on an outpatient basis may apply a formulary to  
310 the prescription drug benefits provided by the plan if the formulary is developed, reviewed at least annually,  
311 and updated as necessary in consultation with and with the approval of a pharmacy and therapeutics  
312 committee, a majority of whose members are actively practicing licensed (i) pharmacists, (ii) physicians, and  
313 (iii) other health care providers.

314 If the plan maintains one or more drug formularies, the plan shall establish a process to allow a person to  
315 obtain, without additional cost-sharing beyond that provided for formulary prescription drugs in the plan, a  
316 specific, medically necessary nonformulary prescription drug if, after reasonable investigation and  
317 consultation with the prescriber, the formulary drug is determined to be an inappropriate therapy for the  
318 medical condition of the person. The plan shall act on such requests within one business day of receipt of the  
319 request.

320 Any plan established in accordance with this section shall be authorized to provide for the selection of a  
321 single mail order pharmacy provider as the exclusive provider of pharmacy services that are delivered to the  
322 covered person's address by mail, common carrier, or delivery service. As used in this subsection, "mail order  
323 pharmacy provider" means a pharmacy permitted to conduct business in the Commonwealth whose primary  
324 business is to dispense a prescription drug or device under a prescriptive drug order and to deliver the drug or  
325 device to a patient primarily by mail, common carrier, or delivery service.

326 I. Any plan established in accordance with this section requiring preauthorization prior to rendering  
327 medical treatment shall have personnel available to provide authorization at all times when such  
328 preauthorization is required.

329 J. Any plan established in accordance with this section shall provide to all covered employees written  
330 notice of any benefit reductions during the contract period at least 30 days before such reductions become  
331 effective.

332 K. No contract between a provider and any plan established in accordance with this section shall include  
333 provisions that require a health care provider or health care provider group to deny covered services that such  
334 provider or group knows to be medically necessary and appropriate that are provided with respect to a  
335 covered employee with similar medical conditions.

336 L. The Department of Human Resource Management shall appoint an Ombudsman to promote and protect  
337 the interests of covered employees under any state employee's health plan.

338 The Ombudsman shall:

339 1. Assist covered employees in understanding their rights and the processes available to them according to  
340 their state health plan.

341 2. Answer inquiries from covered employees by telephone and electronic mail.

342 3. Provide to covered employees information concerning the state health plans.

343 4. Develop information on the types of health plans available, including benefits and complaint  
344 procedures and appeals.

345 5. Make available, either separately or through an existing Internet web site utilized by the Department of  
346 Human Resource Management, information as set forth in subdivision 4 and such additional information as  
347 he deems appropriate.

348 6. Maintain data on inquiries received, the types of assistance requested, any actions taken and the  
349 disposition of each such matter.

350 7. Upon request, assist covered employees in using the procedures and processes available to them from  
351 their health plan, including all appeal procedures. Such assistance may require the review of health care  
352 records of a covered employee, which shall be done only in accordance with the federal Health Insurance  
353 Portability and Accountability Act privacy rules. The confidentiality of any such medical records shall be  
354 maintained in accordance with the confidentiality and disclosure laws of the Commonwealth.

355 8. Ensure that covered employees have access to the services provided by the Ombudsman and that the  
356 covered employees receive timely responses from the Ombudsman or his representatives to the inquiries.

357 9. Report annually on his activities to the standing committees of the General Assembly having  
358 jurisdiction over insurance and over health and the Joint Commission on Health Care by December 1 of each  
359 year.

360 M. The plan established in accordance with this section shall not refuse to accept or make reimbursement  
361 pursuant to an assignment of benefits made to a dentist or oral surgeon by a covered employee.

362 For purposes of this subsection, "assignment of benefits" means the transfer of dental care coverage  
363 reimbursement benefits or other rights under the plan. The assignment of benefits shall not be effective until  
364 the covered employee notifies the plan in writing of the assignment.

365 N. Beginning July 1, 2006, any plan established pursuant to this section shall provide for an identification

366 number, which shall be assigned to the covered employee and shall not be the same as the employee's social  
367 security number.

368 O. Any group health insurance plan established by the Department of Human Resource Management that  
369 contains a coordination of benefits provision shall provide written notification to any eligible employee as a  
370 prominent part of its enrollment materials that if such eligible employee is covered under another group  
371 accident and sickness insurance policy, group accident and sickness subscription contract, or group health  
372 care plan for health care services, that insurance policy, subscription contract, or health care plan may have  
373 primary responsibility for the covered expenses of other family members enrolled with the eligible employee.  
374 Such written notification shall describe generally the conditions upon which the other coverage would be  
375 primary for dependent children enrolled under the eligible employee's coverage and the method by which the  
376 eligible enrollee may verify from the plan that coverage would have primary responsibility for the covered  
377 expenses of each family member.

378 P. Any plan established by the Department of Human Resource Management pursuant to this section shall  
379 provide that coverage under such plan for family members enrolled under a participating state employee's  
380 coverage shall continue for a period of at least 30 days following the death of such state employee.

381 Q. The plan established in accordance with this section that follows a policy of sending its payment to the  
382 covered employee or covered family member for a claim for services received from a nonparticipating  
383 physician or osteopath shall (i) include language in the member handbook that notifies the covered employee  
384 of the responsibility to apply the plan payment to the claim from such nonparticipating provider, (ii) include  
385 this language with any such payment sent to the covered employee or covered family member, and (iii)  
386 include the name and any last known address of the nonparticipating provider on the explanation of benefits  
387 statement.

388 R. The plan established by the Department of Human Resource Management pursuant to this section shall  
389 provide that coverage under such plan for an incapacitated child enrolled under a participating state  
390 employee's coverage shall be valid without regard to whether such child lives with the covered employee as a  
391 member of the employee's household so long as the child is dependent upon the employee for more than half  
392 of the child's financial support and the child is receiving residential support services.

393 For purposes of this subsection, "incapacitated child" means an adult child who is incapacitated due to a  
394 physical or mental health condition that existed prior to the termination of coverage due to such child  
395 attaining the limiting age under the plan for eligible children dependents.

396 S. The Department of Human Resource Management shall report annually, by November 30 of each year,  
397 on cost and utilization information for each of the mandated benefits set forth in subsection B, including any  
398 mandated benefit made applicable, pursuant to subdivision B 22, to any plan established pursuant to this  
399 section. The report shall be in the same detail and form as required of reports submitted pursuant to §  
400 38.2-3419.1, with such additional information as is required to determine the financial impact, including the  
401 costs and benefits, of the particular mandated benefit.

402 **§ 32.1-325. Board to submit plan for medical assistance services to U.S. Secretary of Health and**  
403 **Human Services pursuant to federal law; administration of plan; contracts with health care providers.**

404 A. The Board, subject to the approval of the Governor, is authorized to prepare, amend from time to time,  
405 and submit to the U.S. Secretary of Health and Human Services a state plan for medical assistance services  
406 pursuant to Title XIX of the United States Social Security Act and any amendments thereto. The Board shall  
407 include in such plan:

408 1. A provision for payment of medical assistance on behalf of individuals, up to the age of 21, placed in  
409 foster homes or private institutions by private, nonprofit agencies licensed as child-placing agencies by the  
410 Department of Social Services or placed through state and local subsidized adoptions to the extent permitted  
411 under federal statute;

412 2. A provision for determining eligibility for benefits for medically needy individuals which disregards  
413 from countable resources an amount not in excess of \$3,500 for the individual and an amount not in excess of  
414 \$3,500 for his spouse when such resources have been set aside to meet the burial expenses of the individual  
415 or his spouse. The amount disregarded shall be reduced by (i) the face value of life insurance on the life of an  
416 individual owned by the individual or his spouse if the cash surrender value of such policies has been  
417 excluded from countable resources and (ii) the amount of any other revocable or irrevocable trust, contract, or  
418 other arrangement specifically designated for the purpose of meeting the individual's or his spouse's burial  
419 expenses;

420 3. A requirement that, in determining eligibility, a home shall be disregarded. For those medically needy  
421 persons whose eligibility for medical assistance is required by federal law to be dependent on the budget  
422 methodology for Aid to Families with Dependent Children, a home means the house and lot used as the  
423 principal residence and all contiguous property. For all other persons, a home shall mean the house and lot  
424 used as the principal residence, as well as all contiguous property, as long as the value of the land, exclusive  
425 of the lot occupied by the house, does not exceed \$5,000. In any case in which the definition of home as  
426 provided here is more restrictive than that provided in the state plan for medical assistance services in

427 Virginia as it was in effect on January 1, 1972, then a home means the house and lot used as the principal  
428 residence and all contiguous property essential to the operation of the home regardless of value;

429 4. A provision for payment of medical assistance on behalf of individuals up to the age of 21, who are  
430 Medicaid eligible, for medically necessary stays in acute care facilities in excess of 21 days per admission;

431 5. A provision for deducting from an institutionalized recipient's income an amount for the maintenance  
432 of the individual's spouse at home;

433 6. A provision for payment of medical assistance on behalf of pregnant women which provides for  
434 payment for inpatient postpartum treatment in accordance with the medical criteria outlined in the most  
435 current version of or an official update to the "Guidelines for Perinatal Care" prepared by the American  
436 Academy of Pediatrics and the American College of Obstetricians and Gynecologists or the "Standards for  
437 Obstetric-Gynecologic Services" prepared by the American College of Obstetricians and Gynecologists.  
438 Payment shall be made for any postpartum home visit or visits for the mothers and the children which are  
439 within the time periods recommended by the attending physicians in accordance with and as indicated by  
440 such Guidelines or Standards. For the purposes of this subdivision, such Guidelines or Standards shall include  
441 any changes thereto within six months of the publication of such Guidelines or Standards or any official  
442 amendment thereto;

443 7. A provision for the payment for family planning services on behalf of women who were Medicaid-  
444 eligible for prenatal care and delivery as provided in this section at the time of delivery. Such family planning  
445 services shall begin with delivery and continue for a period of 24 months, if the woman continues to meet the  
446 financial eligibility requirements for a pregnant woman under Medicaid. For the purposes of this section,  
447 family planning services shall not cover payment for abortion services and no funds shall be used to perform,  
448 assist, encourage or make direct referrals for abortions;

449 8. A provision for payment of medical assistance for high-dose chemotherapy and bone marrow  
450 transplants on behalf of individuals over the age of 21 who have been diagnosed with lymphoma, breast  
451 cancer, myeloma, or leukemia and have been determined by the treating health care provider to have a  
452 performance status sufficient to proceed with such high-dose chemotherapy and bone marrow transplant.  
453 Appeals of these cases shall be handled in accordance with the Department's expedited appeals process;

454 9. A provision identifying entities approved by the Board to receive applications and to determine  
455 eligibility for medical assistance, which shall include a requirement that such entities (i) obtain accurate  
456 contact information, including the best available address and telephone number, from each applicant for  
457 medical assistance, to the extent required by federal law and regulations, and (ii) provide each applicant for  
458 medical assistance with information about advance directives pursuant to Article 8 (§ 54.1-2981 et seq.) of  
459 Chapter 29 of Title 54.1, including information about the purpose and benefits of advance directives and how  
460 the applicant may make an advance directive;

461 10. A provision for breast reconstructive surgery following the medically necessary removal of a breast  
462 for any medical reason. Breast reductions shall be covered, if prior authorization has been obtained, for all  
463 medically necessary indications. Such procedures shall be considered noncosmetic;

464 11. A provision for payment of medical assistance for annual pap smears;

465 12. A provision for payment of medical assistance services for prostheses following the medically  
466 necessary complete or partial removal of a breast for any medical reason;

467 13. A provision for payment of medical assistance which provides for payment for 48 hours of inpatient  
468 treatment for a patient following a radical or modified radical mastectomy and 24 hours of inpatient care  
469 following a total mastectomy or a partial mastectomy with lymph node dissection for treatment of disease or  
470 trauma of the breast. Nothing in this subdivision shall be construed as requiring the provision of inpatient  
471 coverage where the attending physician in consultation with the patient determines that a shorter period of  
472 hospital stay is appropriate;

473 14. A requirement that certificates of medical necessity for durable medical equipment and any supporting  
474 verifiable documentation shall be signed, dated, and returned by the physician, physician assistant, or  
475 advanced practice registered nurse and in the durable medical equipment provider's possession within 60 days  
476 from the time the ordered durable medical equipment and supplies are first furnished by the durable medical  
477 equipment provider;

478 15. A provision for payment of medical assistance to (i) persons age 50 and over and (ii) persons age 40  
479 and over who are at high risk for prostate cancer, according to the most recent published guidelines of the  
480 American Cancer Society, for *prostate cancer screening, which includes one PSA prostate-specific antigen*  
481 *test in a 12-month period and digital rectal examinations; all in accordance with American Cancer Society*  
482 *guidelines. For the purpose of this subdivision, "PSA testing" means the analysis of a blood sample to*  
483 *determine the level of prostate specific antigen;*

484 16. A provision for payment of medical assistance for low-dose screening mammograms for determining  
485 the presence of occult breast cancer. Such coverage shall make available one screening mammogram to  
486 persons age 35 through 39, one such mammogram biennially to persons age 40 through 49, and one such  
487 mammogram annually to persons age 50 and over. The term "mammogram" means an X-ray examination of



488 the breast using equipment dedicated specifically for mammography, including but not limited to the X-ray  
489 tube, filter, compression device, screens, film and cassettes, with an average radiation exposure of less than  
490 one rad mid-breast, two views of each breast;

491 17. A provision, when in compliance with federal law and regulation and approved by the Centers for  
492 Medicare & Medicaid Services (CMS), for payment of medical assistance services delivered to  
493 Medicaid-eligible students when such services qualify for reimbursement by the Virginia Medicaid program  
494 and may be provided by school divisions, regardless of whether the student receiving care has an  
495 individualized education program or whether the health care service is included in a student's individualized  
496 education program. Such services shall include those covered under the state plan for medical assistance  
497 services or by the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit as specified in §  
498 1905(r) of the federal Social Security Act, and shall include a provision for payment of medical assistance for  
499 health care services provided through telemedicine services, as defined in § 38.2-3418.16. No health care  
500 provider who provides health care services through telemedicine shall be required to use proprietary  
501 technology or applications in order to be reimbursed for providing telemedicine services;

502 18. A provision for payment of medical assistance services for liver, heart and lung transplantation  
503 procedures for individuals over the age of 21 years when (i) there is no effective alternative medical or  
504 surgical therapy available with outcomes that are at least comparable; (ii) the transplant procedure and  
505 application of the procedure in treatment of the specific condition have been clearly demonstrated to be  
506 medically effective and not experimental or investigational; (iii) prior authorization by the Department of  
507 Medical Assistance Services has been obtained; (iv) the patient selection criteria of the specific transplant  
508 center where the surgery is proposed to be performed have been used by the transplant team or program to  
509 determine the appropriateness of the patient for the procedure; (v) current medical therapy has failed and the  
510 patient has failed to respond to appropriate therapeutic management; (vi) the patient is not in an irreversible  
511 terminal state; and (vii) the transplant is likely to prolong the patient's life and restore a range of physical and  
512 social functioning in the activities of daily living;

513 19. A provision for payment of medical assistance for colorectal cancer screening, specifically screening  
514 with an annual fecal occult blood test, flexible sigmoidoscopy or colonoscopy, or in appropriate  
515 circumstances radiologic imaging, in accordance with the most recently published recommendations  
516 established by the American College of Gastroenterology, in consultation with the American Cancer Society,  
517 for the ages, family histories, and frequencies referenced in such recommendations;

518 20. A provision for payment of medical assistance for custom ocular prostheses;

519 21. A provision for payment for medical assistance for infant hearing screenings and all necessary  
520 audiological examinations provided pursuant to § 32.1-64.1 using any technology approved by the United  
521 States Food and Drug Administration, and as recommended by the national Joint Committee on Infant  
522 Hearing in its most current position statement addressing early hearing detection and intervention programs.  
523 Such provision shall include payment for medical assistance for follow-up audiological examinations as  
524 recommended by a physician, physician assistant, advanced practice registered nurse, or audiologist and  
525 performed by a licensed audiologist to confirm the existence or absence of hearing loss;

526 22. A provision for payment of medical assistance, pursuant to the Breast and Cervical Cancer Prevention  
527 and Treatment Act of 2000 (P.L. 106-354), for certain women with breast or cervical cancer when such  
528 women (i) have been screened for breast or cervical cancer under the Centers for Disease Control and  
529 Prevention (CDC) Breast and Cervical Cancer Early Detection Program established under Title XV of the  
530 Public Health Service Act; (ii) need treatment for breast or cervical cancer, including treatment for a  
531 precancerous condition of the breast or cervix; (iii) are not otherwise covered under creditable coverage, as  
532 defined in § 2701 (c) of the Public Health Service Act; (iv) are not otherwise eligible for medical assistance  
533 services under any mandatory categorically needy eligibility group; and (v) have not attained age 65. This  
534 provision shall include an expedited eligibility determination for such women;

535 23. A provision for the coordinated administration, including outreach, enrollment, re-enrollment and  
536 services delivery, of medical assistance services provided to medically indigent children pursuant to this  
537 chapter, which shall be called Family Access to Medical Insurance Security (FAMIS) Plus and the FAMIS  
538 Plan program in § 32.1-351. A single application form shall be used to determine eligibility for both  
539 programs;

540 24. A provision, when authorized by and in compliance with federal law, to establish a public-private  
541 long-term care partnership program between the Commonwealth of Virginia and private insurance companies  
542 that shall be established through the filing of an amendment to the state plan for medical assistance services  
543 by the Department of Medical Assistance Services. The purpose of the program shall be to reduce Medicaid  
544 costs for long-term care by delaying or eliminating dependence on Medicaid for such services through  
545 encouraging the purchase of private long-term care insurance policies that have been designated as qualified  
546 state long-term care insurance partnerships and may be used as the first source of benefits for the participant's  
547 long-term care. Components of the program, including the treatment of assets for Medicaid eligibility and  
548 estate recovery, shall be structured in accordance with federal law and applicable federal guidelines;

549 25. A provision for the payment of medical assistance for otherwise eligible pregnant women during the

550 first five years of lawful residence in the United States, pursuant to § 214 of the Children's Health Insurance  
551 Program Reauthorization Act of 2009 (P.L. 111-3);

552 26. A provision for the payment of medical assistance for medically necessary health care services  
553 provided through telemedicine services, as defined in § 38.2-3418.16, regardless of the originating site or  
554 whether the patient is accompanied by a health care provider at the time such services are provided. No health  
555 care provider who provides health care services through telemedicine services shall be required to use  
556 proprietary technology or applications in order to be reimbursed for providing telemedicine services.

557 For the purposes of this subdivision, a health care provider duly licensed by the Commonwealth who  
558 provides health care services exclusively through telemedicine services shall not be required to maintain a  
559 physical presence in the Commonwealth to be considered an eligible provider for enrollment as a Medicaid  
560 provider.

561 For the purposes of this subdivision, a telemedicine services provider group with health care providers  
562 duly licensed by the Commonwealth shall not be required to have an in-state service address to be eligible to  
563 enroll as a Medicaid vendor or Medicaid provider group.

564 For the purposes of this subdivision, "originating site" means any location where the patient is located,  
565 including any medical care facility or office of a health care provider, the home of the patient, the patient's  
566 place of employment, or any public or private primary or secondary school or postsecondary institution of  
567 higher education at which the person to whom telemedicine services are provided is located;

568 27. A provision for the payment of medical assistance for the dispensing or furnishing of up to a 12-month  
569 supply of hormonal contraceptives at one time. Absent clinical contraindications, the Department shall not  
570 impose any utilization controls or other forms of medical management limiting the supply of hormonal  
571 contraceptives that may be dispensed or furnished to an amount less than a 12-month supply. Nothing in this  
572 subdivision shall be construed to (i) require a provider to prescribe, dispense, or furnish a 12-month supply of  
573 self-administered hormonal contraceptives at one time or (ii) exclude coverage for hormonal contraceptives  
574 as prescribed by a prescriber, acting within his scope of practice, for reasons other than contraceptive  
575 purposes. As used in this subdivision, "hormonal contraceptive" means a medication taken to prevent  
576 pregnancy by means of ingestion of hormones, including medications containing estrogen or progesterone,  
577 that is self-administered, requires a prescription, and is approved by the U.S. Food and Drug Administration  
578 for such purpose;

579 28. A provision for payment of medical assistance for remote patient monitoring services provided via  
580 telemedicine, as defined in § 38.2-3418.16, for (i) high-risk pregnant persons; (ii) medically complex infants  
581 and children; (iii) transplant patients; (iv) patients who have undergone surgery, for up to three months  
582 following the date of such surgery; and (v) patients with a chronic or acute health condition who have had  
583 two or more hospitalizations or emergency department visits related to such health condition in the previous  
584 12 months when there is evidence that the use of remote patient monitoring is likely to prevent readmission  
585 of such patient to a hospital or emergency department. For the purposes of this subdivision, "remote patient  
586 monitoring services" means the use of digital technologies to collect medical and other forms of health data  
587 from patients in one location and electronically transmit that information securely to health care providers in  
588 a different location for analysis, interpretation, and recommendations, and management of the patient.  
589 "Remote patient monitoring services" includes monitoring of clinical patient data such as weight, blood  
590 pressure, pulse, pulse oximetry, blood glucose, and other patient physiological data, treatment adherence  
591 monitoring, and interactive videoconferencing with or without digital image upload;

592 29. A provision for the payment of medical assistance for provider-to-provider consultations that is no  
593 more restrictive than, and is at least equal in amount, duration, and scope to, that available through the fee-  
594 for-service program;

595 30. A provision for payment of the originating site fee to emergency medical services agencies for  
596 facilitating synchronous telehealth visits with a distant site provider delivered to a Medicaid member. As used  
597 in this subdivision, "originating site" means any location where the patient is located, including any medical  
598 care facility or office of a health care provider, the home of the patient, the patient's place of employment, or  
599 any public or private primary or secondary school or postsecondary institution of higher education at which  
600 the person to whom telemedicine services are provided is located;

601 31. A provision for the payment of medical assistance for targeted case management services for  
602 individuals with severe traumatic brain injury;

603 32. A provision for payment of medical assistance for the initial purchase or replacement of complex  
604 rehabilitative technology manual and power wheelchair bases and related accessories, as defined by the  
605 Department's durable medical equipment program policy, for patients who reside in nursing facilities. Initial  
606 purchase or replacement may be contingent upon (i) determination of medical necessity; (ii) requirements in  
607 accordance with regulations established through the Department's durable medical equipment program  
608 policy; and (iii) exclusive use by the nursing facility resident. Recipients of medical assistance shall not be  
609 required to pay any deductible, coinsurance, copayment, or patient costs related to the initial purchase or  
610 replacement of complex rehabilitative technology manual and power wheelchair bases and related

611 accessories; and

612 33. A provision for payment of medical assistance for remote ultrasound procedures and remote fetal non-  
 613 stress tests. Such provision shall utilize established CPT codes for these procedures and shall apply when the  
 614 patient is in a residence or other off-site location from the patient's provider that provides the same standard  
 615 of care. The provision shall provide for reimbursement only when a provider uses digital technology (i) to  
 616 collect medical and other forms of health data from a patient and electronically transmit that information  
 617 securely to a health care provider in a different location for interpretation and recommendation; (ii) that is  
 618 compliant with the federal Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et  
 619 seq.); and (iii) that is approved by the U.S. Food and Drug Administration. For fetal non-stress tests under  
 620 CPT Code 59025, the provision shall provide for reimbursement only if such test (a) is conducted with a  
 621 place of service modifier for at-home monitoring and (b) uses remote monitoring solutions that are approved  
 622 by the U.S. Food and Drug Administration for on-label use to monitor fetal heart rate, maternal heart rate,  
 623 and uterine activity.

624 B. In preparing the plan, the Board shall:

625 1. Work cooperatively with the State Board of Health to ensure that quality patient care is provided and  
 626 that the health, safety, security, rights and welfare of patients are ensured.

627 2. Initiate such cost containment or other measures as are set forth in the appropriation act.

628 3. Make, adopt, promulgate and enforce such regulations as may be necessary to carry out the provisions  
 629 of this chapter.

630 4. Examine, before acting on a regulation to be published in the Virginia Register of Regulations pursuant  
 631 to § 2.2-4007.05, the potential fiscal impact of such regulation on local boards of social services. For  
 632 regulations with potential fiscal impact, the Board shall share copies of the fiscal impact analysis with local  
 633 boards of social services prior to submission to the Registrar. The fiscal impact analysis shall include the  
 634 projected costs/savings to the local boards of social services to implement or comply with such regulation  
 635 and, where applicable, sources of potential funds to implement or comply with such regulation.

636 5. Incorporate sanctions and remedies for certified nursing facilities established by state law, in  
 637 accordance with 42 C.F.R. § 488.400 et seq., Enforcement of Compliance for Long-Term Care Facilities  
 638 With Deficiencies.

639 6. On and after July 1, 2002, require that a prescription benefit card, health insurance benefit card, or other  
 640 technology that complies with the requirements set forth in § 38.2-3407.4:2 be issued to each recipient of  
 641 medical assistance services, and shall upon any changes in the required data elements set forth in subsection  
 642 A of § 38.2-3407.4:2, either reissue the card or provide recipients such corrective information as may be  
 643 required to electronically process a prescription claim.

644 C. In order to enable the Commonwealth to continue to receive federal grants or reimbursement for  
 645 medical assistance or related services, the Board, subject to the approval of the Governor, may adopt,  
 646 regardless of any other provision of this chapter, such amendments to the state plan for medical assistance  
 647 services as may be necessary to conform such plan with amendments to the United States Social Security Act  
 648 or other relevant federal law and their implementing regulations or constructions of these laws and  
 649 regulations by courts of competent jurisdiction or the United States Secretary of Health and Human Services.

650 In the event conforming amendments to the state plan for medical assistance services are adopted, the  
 651 Board shall not be required to comply with the requirements of Article 2 (§ 2.2-4006 et seq.) of Chapter 40 of  
 652 Title 2.2. However, the Board shall, pursuant to the requirements of § 2.2-4002, (i) notify the Registrar of  
 653 Regulations that such amendment is necessary to meet the requirements of federal law or regulations or  
 654 because of the order of any state or federal court, or (ii) certify to the Governor that the regulations are  
 655 necessitated by an emergency situation. Any such amendments that are in conflict with the Code of Virginia  
 656 shall only remain in effect until July 1 following adjournment of the next regular session of the General  
 657 Assembly unless enacted into law.

658 D. The Director of Medical Assistance Services is authorized to:

659 1. Administer such state plan and receive and expend federal funds therefor in accordance with applicable  
 660 federal and state laws and regulations; and enter into all contracts necessary or incidental to the performance  
 661 of the Department's duties and the execution of its powers as provided by law.

662 2. Enter into agreements and contracts with medical care facilities, physicians, dentists and other health  
 663 care providers where necessary to carry out the provisions of such state plan. Any such agreement or contract  
 664 shall terminate upon conviction of the provider of a felony. In the event such conviction is reversed upon  
 665 appeal, the provider may apply to the Director of Medical Assistance Services for a new agreement or  
 666 contract. Such provider may also apply to the Director for reconsideration of the agreement or contract  
 667 termination if the conviction is not appealed, or if it is not reversed upon appeal.

668 3. Refuse to enter into or renew an agreement or contract, or elect to terminate an existing agreement or  
 669 contract, with any provider who has been convicted of or otherwise pled guilty to a felony, or pursuant to  
 670 Subparts A, B, and C of 42 C.F.R. Part 1002, and upon notice of such action to the provider as required by 42  
 671 C.F.R. § 1002.212.

672 4. Refuse to enter into or renew an agreement or contract, or elect to terminate an existing agreement or

673 contract, with a provider who is or has been a principal in a professional or other corporation when such  
674 corporation has been convicted of or otherwise pled guilty to any violation of § 32.1-314, 32.1-315, 32.1-316,  
675 or 32.1-317, or any other felony or has been excluded from participation in any federal program pursuant to  
676 42 C.F.R. Part 1002.

677 5. Terminate or suspend a provider agreement with a home care organization pursuant to subsection E of §  
678 32.1-162.13.

679 For the purposes of this subsection, "provider" may refer to an individual or an entity.

680 E. In any case in which a Medicaid agreement or contract is terminated or denied to a provider pursuant to  
681 subsection D, the provider shall be entitled to appeal the decision pursuant to 42 C.F.R. § 1002.213 and to a  
682 post-determination or post-denial hearing in accordance with the Administrative Process Act (§ 2.2-4000 et  
683 seq.). All such requests shall be in writing and be received within 15 days of the date of receipt of the notice.

684 The Director may consider aggravating and mitigating factors including the nature and extent of any  
685 adverse impact the agreement or contract denial or termination may have on the medical care provided to  
686 Virginia Medicaid recipients. In cases in which an agreement or contract is terminated pursuant to subsection  
687 D, the Director may determine the period of exclusion and may consider aggravating and mitigating factors to  
688 lengthen or shorten the period of exclusion, and may reinstate the provider pursuant to 42 C.F.R. § 1002.215.

689 F. When the services provided for by such plan are services which a marriage and family therapist,  
690 clinical psychologist, clinical social worker, professional counselor, or clinical nurse specialist is licensed to  
691 render in Virginia, the Director shall contract with any duly licensed marriage and family therapist, duly  
692 licensed clinical psychologist, licensed clinical social worker, licensed professional counselor or licensed  
693 clinical nurse specialist who makes application to be a provider of such services, and thereafter shall pay for  
694 covered services as provided in the state plan. The Board shall promulgate regulations which reimburse  
695 licensed marriage and family therapists, licensed clinical psychologists, licensed clinical social workers,  
696 licensed professional counselors and licensed clinical nurse specialists at rates based upon reasonable criteria,  
697 including the professional credentials required for licensure.

698 G. The Board shall prepare and submit to the Secretary of the United States Department of Health and  
699 Human Services such amendments to the state plan for medical assistance services as may be permitted by  
700 federal law to establish a program of family assistance whereby children over the age of 18 years shall make  
701 reasonable contributions, as determined by regulations of the Board, toward the cost of providing medical  
702 assistance under the plan to their parents.

703 H. The Department of Medical Assistance Services shall:

704 1. Include in its provider networks and all of its health maintenance organization contracts a provision for  
705 the payment of medical assistance on behalf of individuals up to the age of 21 who have special needs and  
706 who are Medicaid eligible, including individuals who have been victims of child abuse and neglect, for  
707 medically necessary assessment and treatment services, when such services are delivered by a provider which  
708 specializes solely in the diagnosis and treatment of child abuse and neglect, or a provider with comparable  
709 expertise, as determined by the Director.

710 2. Amend the Medallion II waiver and its implementing regulations to develop and implement an  
711 exception, with procedural requirements, to mandatory enrollment for certain children between birth and age  
712 three certified by the Department of Behavioral Health and Developmental Services as eligible for services  
713 pursuant to Part C of the Individuals with Disabilities Education Act (20 U.S.C. § 1471 et seq.).

714 3. Utilize, to the extent practicable, electronic funds transfer technology for reimbursement to contractors  
715 and enrolled providers for the provision of health care services under Medicaid and the Family Access to  
716 Medical Insurance Security Plan established under § 32.1-351.

717 4. Require any managed care organization with which the Department enters into an agreement for the  
718 provision of medical assistance services to include in any contract between the managed care organization  
719 and a pharmacy benefits manager provisions prohibiting the pharmacy benefits manager or a representative of  
720 the pharmacy benefits manager from conducting spread pricing with regards to the managed care  
721 organization's managed care plans. For the purposes of this subdivision:

722 "Pharmacy benefits management" means the administration or management of prescription drug benefits  
723 provided by a managed care organization for the benefit of covered individuals.

724 "Pharmacy benefits manager" means a person that performs pharmacy benefits management.

725 "Spread pricing" means the model of prescription drug pricing in which the pharmacy benefits manager  
726 charges a managed care plan a contracted price for prescription drugs, and the contracted price for the  
727 prescription drugs differs from the amount the pharmacy benefits manager directly or indirectly pays the  
728 pharmacist or pharmacy for pharmacist services.

729 I. The Director is authorized to negotiate and enter into agreements for services rendered to eligible  
730 recipients with special needs. The Board shall promulgate regulations regarding these special needs patients,  
731 to include persons with AIDS, ventilator-dependent patients, and other recipients with special needs as  
732 defined by the Board.

733 J. Except as provided in subdivision A 1 of § 2.2-4345, the provisions of the Virginia Public Procurement

734 Act (§ 2.2-4300 et seq.) shall not apply to the activities of the Director authorized by subsection I of this  
735 section. Agreements made pursuant to this subsection shall comply with federal law and regulation.

736 K. When the services provided for by such plan are services by a pharmacist, pharmacy technician, or  
737 pharmacy intern (i) performed under the terms of a collaborative agreement as defined in § 54.1-3300 and  
738 consistent with the terms of a managed care contractor provider contract or the state plan or (ii) related to  
739 services and treatment in accordance with § 54.1-3303.1, the Department shall provide reimbursement for  
740 such service.

741 **§ 38.2-3406.1. Application of requirements that policies offered by small employers include**  
742 **state-mandated health benefits.**

743 A. As used in this section:

744 "Eligible individual" means an individual who is employed by a small employer and has satisfied  
745 applicable waiting period requirements.

746 "Health insurance coverage" means benefits consisting of coverage for costs of medical care, whether  
747 directly, through insurance or reimbursement, or otherwise, and including items and services paid for as  
748 medical care under a group policy of accident and sickness insurance, hospital or medical service policy or  
749 certificate, hospital or medical service plan contract, or health maintenance organization contract, which  
750 coverage is subject to this title or is provided under a plan regulated under the Employee Retirement Income  
751 Security Act of 1974.

752 "Health insurer" means any insurance company that issues accident and sickness insurance policies  
753 providing hospital, medical and surgical, or major medical coverage on an expense-incurred basis, a  
754 corporation that provides accident and sickness subscription contracts, or any health maintenance  
755 organization that provides a health care plan that provides, arranges for, pays for, or reimburses any part of  
756 the cost of any health care services, that is licensed to engage in such business in the Commonwealth, and  
757 that is subject to the laws of the Commonwealth that regulate insurance within the meaning of § 514(b)(2) of  
758 the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1144(b)(2)).

759 "Small employer" has the same meaning ascribed to the term in § 38.2-3431.

760 "State-mandated health benefit" means coverage required under this title or other laws of the  
761 Commonwealth to be provided in a policy of accident and sickness insurance or a contract for a health-related  
762 condition that (i) includes coverage for specific health care services or benefits; (ii) places limitations or  
763 restrictions on deductibles, coinsurance, copayments, or any annual or lifetime maximum benefit amounts; or  
764 (iii) includes a specific category of licensed health care practitioners from whom an insured is entitled to  
765 receive care. "State-mandated health benefit" includes, without limitation, any coverage, or the offering of  
766 coverage, of a benefit or provider pursuant to §§ 38.2-3407.5 through 38.2-3407.6:1, 38.2-3407.9:01,  
767 38.2-3407.9:02, 38.2-3407.11 through 38.2-3407.11:3, 38.2-3407.16, 38.2-3408, 38.2-3411 through  
768 38.2-3414.1, 38.2-3418 through 38.2-3418.14, or § 38.2-4221. For purposes of this article, "state-mandated  
769 health benefit" does not include a benefit that is mandated by federal law.

770 B. Notwithstanding any statute, rule, or regulation to the contrary, and for the purposes of this section, a  
771 group accident and sickness insurance policy providing hospital, medical and surgical, or major medical  
772 coverage on an expense-incurred basis; a group accident and sickness subscription contract providing health  
773 insurance coverage for eligible individuals; and a health care plan that provides, arranges for, pays for, or  
774 reimburses any part of the cost of any health care services that is offered, sold, or issued by a health insurer to  
775 a small employer:

776 1. Shall not be required to include coverage, or the offer of coverage, for any state-mandated health  
777 benefit, except for:

- 778 a. Coverage for mammograms pursuant to § 38.2-3418.1;
- 779 b. Coverage for pap smears pursuant to § 38.2-3418.1:2;
- 780 c. Coverage for ~~PSA testing~~ *prostate cancer screening* pursuant to § 38.2-3418.7; and
- 781 d. Coverage for colorectal cancer screening pursuant to § 38.2-3418.7:1.

782 2. May include any, or none, of the state-mandated health benefits not otherwise noted in subdivision B 1  
783 as the health insurer and the small employer shall agree.

784 Notwithstanding any provision of this section to the contrary, if any plan authorized by this section  
785 includes and offers health care services covered by the plan that may be legally rendered by a health care  
786 provider listed in § 38.2-3408, that plan shall allow for the reimbursement of such covered services when  
787 rendered by such provider. Unless otherwise provided in this section, this provision shall not require any  
788 benefit be provided as a covered service.

789 C. Any application and any enrollment form used in connection with coverage under this section shall  
790 prominently disclose that the policy, contract, or evidence of coverage is not required to provide state-  
791 mandated health benefits, shall prominently disclose any and all state-mandated health benefits that the  
792 policy, subscription contract, or evidence of coverage does not provide, and shall clearly describe all  
793 eligibility requirements.

794 D. A policy form, subscription contract, or evidence of coverage issued under this section to a small

795 employer shall prominently disclose any and all state-mandated health benefits that the policy, subscription  
796 contract, or evidence of coverage does not provide. Such disclosure shall also be included in certificate forms  
797 or other evidences of coverage furnished to each participant. Health insurers proposing to issue forms  
798 providing coverage under this section shall clearly disclose the intended purposes for such policies, contracts,  
799 or evidences of coverage when submitting the forms to the Commission for approval in accordance with §  
800 38.2-316.

801 E. The Commission shall adopt any regulations necessary to implement this section.

802 F. The provisions of this section shall not apply in any instance in which the provisions of this section are  
803 inconsistent or in conflict with a provision of Article 6 (§ 38.2-3438 et seq.) of Chapter 34.

804 **§ 38.2-3418.7. Coverage for prostate cancer screening.**

805 A. Notwithstanding the provisions of § 38.2-3419, each insurer proposing to issue individual or group  
806 accident and sickness insurance policies providing hospital, medical and surgical, or major medical coverage  
807 on an expense-incurred basis; each corporation providing individual or group accident and sickness  
808 subscription contracts; and each health maintenance organization providing a health care plan for health care  
809 services shall provide coverage to (i) persons age ~~forty~~ 50 and over and (ii) persons age ~~forty~~ 40 and over who  
810 are at high risk for prostate cancer, according to the most recent published guidelines of the American Cancer  
811 Society, for ~~one PSA test in a twelve-month period and digital rectal examinations, all in accordance with~~  
812 ~~American Cancer Society guidelines~~ *prostate cancer screening* under any such policy, contract, or plan  
813 delivered, issued for delivery, or renewed in ~~this~~ the Commonwealth on and after July 1, 1998.

814 B. For the purpose of this section, "PSA testing" ~~means the analysis of a blood sample to determine the~~  
815 ~~level of prostate specific antigen~~ *"prostate cancer screening" includes one prostate-specific antigen test in a*  
816 *12-month period and digital rectal examinations.*

817 C. *No insurer, corporation, or health maintenance organization shall impose on any person receiving*  
818 *benefits pursuant to this section any deductible, coinsurance, copayment, or other cost-sharing requirement,*  
819 *except to the extent that coverage without cost-sharing would disqualify a high-deductible health benefit plan*  
820 *from eligibility for a health savings account pursuant to 26 U.S.C. § 223.*

821 D. The provisions of this section shall not apply to (i) short-term travel, accident only, limited or specified  
822 disease policies other than cancer policies, (ii) short-term nonrenewable policies of not more than six months'  
823 duration, or (iii) policies or contracts designed for issuance to persons eligible for coverage under Title XVIII  
824 of the Social Security Act, known as Medicare, or any other similar coverage under state or federal  
825 governmental plans.

826 **2. That the provisions of this act shall apply only to contracts, policies, or plans delivered, issued for**  
827 **delivery, or renewed in the Commonwealth on or after January 1, 2026.**