

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 2/5/2026 2:06 PM

ORIGINAL

Bill Number: SB524

Patron: Deeds

Bill Title: Mental health and substance abuse disorders; network adequacy standards, comparative analyses.

Bill Summary: Directs the Virginia Department of Health (VDH) to issue regulations that include quantitative network adequacy standards for timely access to care, travel time, and geographical distance that are at least as stringent as those imposed for qualified health plans and qualified dental plans. The bill amends the definitions of "mental health services" and "substance abuse services" for the purposes of health insurance coverage.

The bill requires health carriers to submit all comparative analyses prepared pursuant to federal law to the Bureau of Insurance on the date and frequency as specified by the Bureau and includes additional information to include in such submission. Under the bill, the Bureau may impose a penalty not to exceed \$100,000 for a noncompliant or insufficient comparative analysis or require a carrier to remove, revise, or remedy noncompliant treatment limitations. The bill also amends the contents of the annual report submitted by the Bureau to the General Assembly to cover enforcement efforts with respect to the federal Mental Health Parity and Addiction Equity Act of 2008.

The bill authorizes the Bureau to promulgate regulations as necessary to implement the provisions of the bill and directs the Department of Health to adopt emergency regulations to implement the provisions of the bill.

Budget Amendment Necessary: Indeterminate **Items Impacted:** None

Fiscal Summary: The total fiscal impact the provisions of this legislation would have on state resources cannot be fully determined at this time. Should additional information be provided this fiscal impact statement will be revised.

Fiscal Analysis: Any increase in workload for the Virginia Department of Health or the Bureau of Insurance to promulgate and adopt regulations can be handled within existing resources.

The Department of Human Resource Management (DHRM) has not finished analyzing the bill for any potential impacts on the state employee health plan. If the bill expands services beyond what is currently offered by the state employee health plan, the health plan may incur additional expenses. Additional expenses to the health plan would be recovered through premiums charged to state employees and their employing state agencies. Based on current assumptions, 15 percent of any additional cost would be borne by state employees through additional premiums, co-pays, or co-insurance, and the remaining 85 percent would be paid half by the general fund and half by nongeneral fund sources.

Other: This bill is similar to HB656.