

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

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ORIGINAL

Bill Number: SB524H1

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. Additionally, provides that the Department of Human Resource Management shall evaluate the impact of the changes to subsection A of § 38.2-3412.1 of the Code of Virginia.

As amended, the bill removes the effective of July 1, 2027.

Budget Amendment Necessary: No

Items Impacted: None

Fiscal Summary: Minimal fiscal impact.

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

Other: None.