Fiscal Impact Statement for Proposed Legislation

Virginia State Corporation Commission

Published: March 3, 2026

House Bill 484

Version: Senate Substitute 1

Patron: I. Shin

Title: Health insurance; ethics and fairness in carrier business practices; downcoded claims.

Summary: Prohibits a carrier, intermediary, administrator, or representative of a carrier from downcoding a claim, as defined in the bill, unless the decision to downcode is determined by a person or electronic system that considers all relevant patient data from the billing provider in making the determination. The bill requires a carrier, intermediary, administrator, or representative that downcodes a claim to provide certain notice to the person submitting the claim, including the reason for the decision and the process to appeal. The bill requires that all downcoding dispute decisions shall be adjudicated by a natural person.

Effective Date(s): July 1, 2026

Amendment Necessary: ☐ Budget, Item
☐ Technical, see *Technical Note* below
☑ None

Fiscal Summary

The bill has no impact on revenue.

The bill has minimal impact on expenditures.

The bill has no impact on FTEs.

Fiscal Analysis

Revenue

There are no assumptions for revenue for this bill.

This bill does not impact revenue at the State Corporation Commission. The requirements of this bill can be satisfied within the Bureau of Insurance's current revenue authority.

Expenditures

It is assumed that the bill's additions to the work group's mandate would require the continued support of Bureau personnel to administer through its final report on November 1, 2028, and that any expenditure would be a recurring nongeneral fund expenditure through the first four months of FY2029.

Based on the assumptions noted, the opportunity cost in the form of personnel costs is expected to be minimal and absorbable. The expenditures result from the proposed additions to the work group's ongoing mandate related to electronic prior authorization that currently expires on November 1, 2028.

Change in FTE

This bill does not impact FTEs at the State Corporation Commission.

Other Comments

While the opportunity cost of this bill can be absorbed by existing FTEs and is not included in the nongeneral fund expenditure in the Fiscal Summary table, the cumulative effect of enactment of these types of proposals may exceed the SCC’s capacity and may result in a future need for additional appropriations, positions, or both.

Technical Note

None.