Fiscal Impact Statement for Proposed Legislation

Virginia State Corporation Commission

House Bill 701

Version: House Substitute 1

Patron: Maldonado

Title: Health insurance; notice of adverse determination.

Summary: Requires health carriers to send in writing to a covered person the notice of an adverse determination or final adverse determination and the covered person's right to request an external review, as required by current law, within five business days after the adverse determination or final adverse determination has been made. The bill also requires such notice to include certain information related to the person who made the adverse determination or final adverse determination.

Effective Date(s): July 1, 2026

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

Fiscal Summary

The State Corporation Commission does not anticipate a fiscal impact.

Fiscal Analysis

Revenue

There are no revenue assumptions 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 Bureau staff would need to update procedures and checklists for reviewers and market conduct examiners.

Based on the assumptions noted, the opportunity cost in the form of personnel costs is expected to be minimal and absorbable (See Other Comments).

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.