



Fiscal Impact Statement for Proposed Legislation

Virginia State Corporation Commission

Published: March 24, 2026

Senate Bill 164

Version: Enrolled

Patron: McPike

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

Summary as Passed: Prohibits a carrier, intermediary, administrator, or representative of a carrier from downcoding a claim unless the decision to downcode is determined by a person or electronic system that reflects correct coding standards and 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 provider. The bill requires that all downcoding dispute decisions are reviewed and adjudicated by a natural person.

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 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.