

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to require the Department of Health, through its contract with the nonprofit organization with*
3 *which it enters agreements for certain data services, to develop and implement a methodology for*
4 *evaluating the efficiency and productivity of carriers and managed care health insurance plans.*

5 [H 248]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**

8 **1.** *§ 1. That the Department of Health (the Department), through its contract with the nonprofit*
9 *organization described in § 32.1-276.4 of the Code of Virginia and in consultation with the Bureau of*
10 *Insurance of the State Corporation Commission (the Bureau), shall by July 1, 2023, (i) develop and*
11 *implement a methodology to review and measure the efficiency and productivity of health care providers*
12 *and carriers, as defined in § 38.2-3407.10 of the Code of Virginia, other than limited scope dental or*
13 *vision plans licensed pursuant to Chapter 45 (§ 38.2-4500 et seq.) of Title 38.2, and managed care*
14 *health insurance plans, as defined in § 38.2-5800 of the Code of Virginia and certified by the*
15 *Department pursuant to § 32.1-137.2 of the Code of Virginia, and (ii) make available to the public on a*
16 *website maintained by the nonprofit organization such data and information and other reports collected*
17 *or produced as a result of implementation of such methodology. The methodology shall be designed to*
18 *foster transparency and competition among both carriers and health care providers and to assist*
19 *consumers in making educated decisions regarding options for health care coverage and access.*

20 *§ 2. The methodology described in § 1 shall:*

21 *1. Include provisions for comparisons of a specific carrier's or managed care health insurance plan's*
22 *performance to (i) national and regional performance metrics for carriers or managed care health*
23 *insurance plans, as appropriate, and (ii) other carriers or managed care health insurance plans, as*
24 *appropriate;*

25 *2. Provide for the collection of data and information necessary to evaluate or compare (i) annual*
26 *premium rates and changes to such rates over time; (ii) medical loss ratios and changes to such ratios*
27 *over time; (iii) cost sharing levels and changes to such levels over time; and (iv) expenditures on*
28 *inpatient hospital services, outpatient hospital services, emergency services, physician services,*
29 *pharmaceuticals, and other major spending categories, and changes to such expenditures over time; and*

30 *3. Utilize data compiled by the Bureau and submitted to the nonprofit organization, data from data*
31 *sources maintained by the Bureau and the Department, and other publicly available data sources.*

32 *Such methodology may include different methodologies for the assessment of various types of carriers*
33 *and managed care health insurance plans.*

34 *§ 3. Any data submitted by the Bureau to the Department or the nonprofit organization in*
35 *accordance with this act shall be provided in a secure manner to protect the safety and confidentiality*
36 *of any proprietary information of any carrier or managed care health insurance plan.*

37 *§ 4. The Bureau shall convene a stakeholder work group composed of representatives of the*
38 *Department, the nonprofit organization described in § 32.1-276.4 of the Code of Virginia, the Virginia*
39 *Association of Health Plans, the Virginia Hospital and Healthcare Association, the Medical Society of*
40 *Virginia, and other such stakeholders as the Bureau deems appropriate to (i) provide input on the*
41 *development of the methodology described in § 1; (ii) identify additional measures to increase the*
42 *transparency of information provided to the Bureau by carriers, managed care health insurance plans,*
43 *and health care providers; and (iii) determine what additional information should be provided to the*
44 *nonprofit organization by carriers, managed care health insurance plan providers, and health care*
45 *providers to foster transparency and competition among both carriers and health care providers and*
46 *assist consumers in making educated decisions regarding options for health care coverage and access.*
47 *The work group shall report its findings and recommendations to the Governor and the Chairmen of the*
48 *House Committee on Health, Welfare and Institutions and the Senate Committee on Education and*
49 *Health by November 1, 2022.*