

COMMONWEALTH OF VIRGINIA

ALFRED W. GROSS
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE



P.O. BOX 1157
RICHMOND, VIRGINIA 23218
TELEPHONE: (804) 371-9741
TDD/VOICE: (804) 371-9206
<http://www.scc.virginia.gov>

March 8, 2002

ADMINISTRATIVE LETTER 2002 - 3

TO: ALL INSURERS LICENSED TO WRITE ACCIDENT AND SICKNESS INSURANCE IN VIRGINIA, AND ALL HEALTH SERVICES PLANS AND HEALTH MAINTENANCE ORGANIZATIONS LICENSED IN VIRGINIA

RE: 14 VAC 5-190-10 et seq.: Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers - 2001 Reporting Period

The purpose of this administrative letter is to remind all affected carriers of the reporting requirements applicable to mandated benefits and providers for the 2001 reporting year, and to direct carriers to the availability, no later than March 15, 2002, of form MB-1 and all related instructions on the Bureau's web-site at <http://www.state.va.us/scc/division/boi/webpages/insuranceco.htm>. The Bureau also intends to have the functionality for electronic submission of the reporting forms through the web-site available on or around March 15 as well. Carriers are encouraged to use this web-site feature to ensure timely reporting and reduce computing errors. The Bureau will continue to accept paper filings of Form MB-1 should carriers choose not to file electronically. Regardless of the medium used to file with the Bureau, carriers are reminded that the completed Form MB-1 (cover sheet and sections) is due on or before May 1, 2002. **Lack of notice, lack of information, lack of means of producing the required data, or other such reasons will not be accepted for not submitting a complete and accurate report in a timely manner.**

Form MB-1 has been updated to capture cost and utilization data applicable to four (4) additional mandates: (1) childhood immunizations; (2) colorectal cancer screening; (3) hospitalization and anesthesia for dental procedures for specified covered persons; and (4) optional coverage for the treatment of morbid obesity. Refer to the Bureau's Administrative Letter 2001-13 for further explanation concerning these additional reporting requirements.

Carriers should refer to 14 VAC 5-190-40 for an explanation of the circumstances under which a full and complete or an abbreviated report must be filed. This section

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also describes the circumstances under which a company may be exempt from filing a report. The *Virginia total annual written premium for all accident and sickness policies or contracts* referred to in this section of the Administrative Code is the amount reported to the Commission on the company's Annual Statement for the year ending December 31, 2001. This is the amount used to determine the type of report required.

The instructions explain the type of information necessary to complete Form MB-1, and serve to highlight frequent errors and omissions. All sources of information, including 14 VAC 5-190-10 et seq., §§ 38.2-3408 through 38.2-3418.13, as applicable, § 38.2-4221, and CPT and ICD-9-CM Codes should be consulted in the preparation of this report. It should be noted that the CPT and ICD-9-CM Codes are not intended to exhaust all medical codes that may be used in collecting data for Form MB-1, but are representative of some of the more common codes associated with the mandated benefits.

Please note that a separate Form MB-1 must be submitted by each licensed carrier, unless the carrier is exempt from the reporting requirements as noted above. It is not acceptable to submit more than one Form MB-1 for a single carrier or to consolidate information from different carriers on one form.

Correspondence regarding this reporting requirement, and requests for a paper copy of Form MB-1, instructions and CPT and ICD-9-CM Codes, should be directed to:

Mary Ann Mason
Senior Insurance Market Examiner
Forms and Rates Section
Bureau of Insurance - Life and Health Division
P.O. Box 1157
Richmond, VA 23218
Telephone: (804) 371-9348
FAX: (804) 371-9944

Carriers are reminded that failure to submit a substantially complete and accurate report pursuant to the provisions of 14 VAC 5-190 et seq. by May 1, 2002 may be considered a violation subject to a penalty as set forth in § 38.2-218 of the Code of Virginia.

Yours truly,



Alfred W. Gross
Commissioner of Insurance

AWG/mam