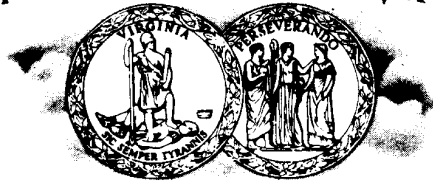


COMMONWEALTH OF VIRGINIA



STEVEN T. FOSTER
COMMISSIONER OF INSURANCE

Box 1157
RICHMOND, VA 23209
TELEPHONE: (804) 786-3741

STATE CORPORATION COMMISSION BUREAU OF INSURANCE

August 4, 1988

**Administrative Letter
1988-13**

TO: All Health Maintenance Organizations Licensed in Virginia
RE: Copayments for Inpatient Mental and Nervous Disorders

This office has received several questions from health maintenance organizations (HMOs) desiring to impose copayment amounts for inpatient mental and nervous disorders which differ from the copayments imposed for other illnesses. As a result, we have reviewed both the statutory and regulatory requirements, and have concluded that HMOs may impose copayments for inpatient mental and nervous disorders which differ from those imposed for other illnesses.

The purpose of this Administrative Letter is to notify all HMOs licensed in Virginia of this position since it represents a change from previous Bureau of Insurance policy. The maximum aggregate copayment remains 200% of the annual premium, and this must continue to be stated as a dollar amount. This maximum aggregate copayment shall include all copayments for basic healthcare services including inpatient mental and nervous disorders except copayments for drug and alcohol rehabilitation benefits in excess of \$80.00 per inpatient day.

Please direct any questions regarding this matter to:

Robert L. Wright, CLU
Supervisor, Forms and Rates Section
Life and Health Division
P. O. Box 1157
Richmond, Virginia 23209

Sincerely yours,

A handwritten signature in black ink, appearing to read 'S. T. Foster', written over a horizontal line.

Steven T. Foster
Commissioner of Insurance

STF/ds