

COMMONWEALTH OF VIRGINIA



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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

September 11, 1990

Administrative Letter
1990-12

TO: All Health Services Plans and Insurers Licensed to Write Accident and Sickness Insurance in Virginia

RE: Senate Bill 131 - Coverage for Child Health Supervision Services

Senate Bill No. 131, passed by the 1990 Session of the General Assembly, became effective July 1, 1990. This bill amends the Code of Virginia by adding a section numbered 38.2-3411.1. (copy attached). This bill requires insurers, and health services plans to offer and make available coverage for "child health supervision services".

The purpose of this Administrative Letter is to notify all companies subject to the requirements of §38.2-3411.1. of the Bureau's expectations with regard to compliance with this new benefit requirement.

1. We expect all companies to be in compliance by no later than November 1, 1990. This means that all form and rate filings are completed and that the company has designed and implemented procedures by which to "offer and make available" the child health supervision services benefit.
2. Please note that §38.2-3411.1.A. requires that the insurer or health services plan "shall offer and make available" (emphasis added) coverage for child health supervision services. This means that an affirmative offer must be made. Merely having the benefit "available as an option" is not sufficient.
3. Those companies who wish to claim an exemption from compliance pursuant to §38.2-3411.1.F. must communicate such intention in writing. The following certification, or similar wording, signed by an officer of the company, will be acceptable:

I certify that _____ has fewer than
Name of Company

1,000 individuals insured or covered in Virginia or less than \$500,000 in premiums in Virginia as of the company's last filed annual statement.

Because §38.2-3411.1.F. is silent on the question of what type of premium income is to be considered, companies must take into account ALL premium income from their Virginia business in determining whether the \$500,000 threshold has been reached. The above certification must be submitted annually in order for a company to maintain its exemption.

4. Also, the benefit to be offered under §38.2-3411.1. does not apply to specified disease, hospital indemnity, or other limited benefit policies issued to provide supplemental benefits to a policy providing primary care benefits.


It is our intention to carefully monitor compliance with this new law. Any company that has failed to comply with this new law or file for an exemption by November 1, 1990 will be subject to initiation of disciplinary proceedings including, but not limited to, imposition of a monetary penalty and/or revocation or suspension of its certificate of authority.

If your company has already complied with the requirements of §38.2-3411.1., please complete the attached form and return it to us.

All verification forms, and any questions or concerns with the foregoing should be addressed, in writing, to:

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

Sincerely yours,



Steven T. Foster
Commissioner of Insurance

STF/ds
Attachments

1990 RECONVENED SESSION
VIRGINIA ACTS OF ASSEMBLY - CHAPTER 901 REENROLLED

An Act to amend the Code of Virginia by adding a section numbered 38.2-3411.1, relating to insurance coverage for child health supervision services.

[S 131]

Approved APR 18 1990

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 38.2-3411.1 as follows:

§ 38.2-3411.1. *Coverage for child health supervision services.*—A. Every individual or group accident and sickness insurance policy, subscription contract providing coverage under a health services plan, or evidence of coverage of a health care plan delivered or issued for delivery in the Commonwealth or renewed, reissued, or extended if already issued, shall offer and make available coverage under such policy or plan for child health supervision services to provide for the periodic examination of children covered under such policy or plan.

B. As used in this section, the term "child health supervision services" means the periodic review of a child's physical and emotional status by a licensed and qualified physician or pursuant to a physician's supervision. A review shall include but not be limited to a history, complete physical examination, developmental assessment, anticipatory guidance, appropriate immunizations, and laboratory tests in keeping with prevailing medical standards.

C. Each such policy or plan, offering and making available such coverage, shall, at a minimum, provide benefits for child health supervision services at approximately the following age intervals: birth, two months, four months, six months, nine months, twelve months, fifteen months, eighteen months, two years, three years, four years, five years, and six years. A policy or plan may provide that child health supervision services which are rendered during a periodic review shall only be covered to the extent that such services are provided by or under the supervision of a single physician during the course of one visit.

D. Benefits for coverage for child health supervision services shall be exempt from any copayment, coinsurance, deductible, or other dollar limit provision in the policy or plan. Such exemption shall be expressly stated on the policy, plan, rider, endorsement, or other attachment providing such coverage.

E. The premiums for such coverage shall take into consideration (i) the cost of providing such coverage, (ii) cost savings realized or likely to be realized as a consequence of such coverage, (iii) a reasonable profit for the insurer, and (iv) any other relevant information or data the Commission deems appropriate.

F. This section shall not apply to any insurer or health services plan having fewer than 1,000 covered individuals insured or covered in Virginia or less than \$500,000 in premiums in Virginia as of its last annual statement nor to specified disease, hospital indemnity or other limited benefit policies issued to provide supplemental benefits to a policy providing primary care benefits.

Administrative Letter 1990-12 Survey

Verification of Compliance

Name of Company _____

Form Number(s) _____

Date(s) of Approval _____

Signature, Title _____

Date _____

Mail To:

Robert L. Wright, CLU, CIE
Supervisor, Forms and Rates Section
Life and Health Division
Virginia Bureau of Insurance
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