

**WEST VIRGINIA
SECRETARY OF STATE
BETTY IRELAND
ADMINISTRATIVE LAW DIVISION**

Form #2

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2006 JUN -5 P 3:31

OFFICE WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE

AGENCY: Insurance Commissioner TITLE NUMBER: 114

RULE TYPE: Legislative CITE AUTHORITY WV Code §§33-2-10 & 33-15D-7

AMENDMENT TO AN EXISTING RULE: YES _____ NO X

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

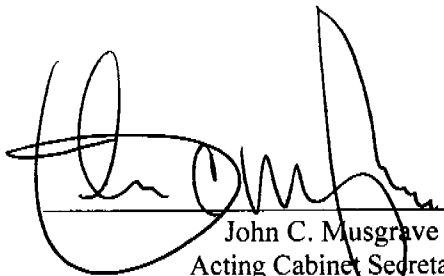
IF NO, SERIES NUMBER OF RULE BEING PROPOSED: 78

TITLE OF RULE BEING PROPOSED: Individual Limited Health Benefits Plans

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON 7-05-06 AT 5:00 PM. ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS:

Charley Dunn, Associate Counsel
Offices of the Insurance Commissioner
P.O. Box 50540
Charleston, WV 25305-0540

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.


John C. Musgrave
Acting Cabinet Secretary
West Virginia Department of Revenue

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

#3.60

114CSR78

**LEGISLATIVE RULE
INSURANCE COMMISSIONER**

**SERIES 78
INDIVIDUAL LIMITED HEALTH BENEFITS PLANS**

Section

- 114-78-1. General.
- 114-78-2. Applicability.
- 114-78-3. Rate Filing.
- 114-78-4. Form Filing.
- 114-78-5. Eligibility.
- 114-78-6. Benefits.
- 114-78-7. Penalties and Enforcement.
- 114-78-8. Severability.

114CSR78

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LEGISLATIVE RULE
INSURANCE COMMISSIONER

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SERIES 78
INDIVIDUAL LIMITED HEALTH BENEFITS PLANS

OFFICE WEST VIRGINIA
SECRETARY OF STATE

§114-78-1. General.

1.1. Scope. -- The purpose of this legislative rule is to establish requirements for information and data to be provided with the filing of rates and rate adjustments and forms for individual limited health benefit plans, to establish minimum benefits for such plans and to define eligibility for individuals to obtain coverage under the plans.

1.2. Authority. -- W. Va. Code §§33-2-10 and 33-15D-7.

1.3. Filing Date. --

1.4. Effective Date. --

§114-78-2. Applicability.

2.1. This rule applies to all individual limited health benefit plans issued pursuant to article fifteen-d, chapter thirty-three of the West Virginia Code and to all insurers offering such plans as of the effective date of this rule.

§114-78-3. Rate Filing.

3.1. All of the provisions of 114CSR26 apply to individual limited benefit plans except 114CSR26-1.

§114-78-4. Form Filing.

4.1. All of the provisions of 114CSR67 apply to individual limited benefits plans.

§114-78-5. Eligibility.

5.1. An insurer issuing limited benefit individual health insurance policies shall, as part of the application process and also as part of the renewal process, require the applicant to provide evidence of eligibility in a form satisfactory to the Insurance Commissioner and it shall retain the evidence of eligibility during the entire time the policy remains in effect.

§114-78-6. Benefits.

**Insurance Commissioner
Legislative Rule
Title 114, Series 78**

6.1. Every policy issued hereunder shall have an annual maximum benefit of at least three thousand dollars per covered person. The annual maximum benefit may hereafter be changed by order of the Insurance Commissioner.

6.2. Every policy issued hereunder shall provide benefits for at least the following services:

- a. Emergency care.
- b. Hospital benefits, including physician services while in the hospital.
- c. Outpatient benefits, including lab and diagnostics.
- d. Preventive care benefits.
- e. Primary care benefits.

6.3. Every policy that does not cover prescription benefits as part of its basic coverage shall offer prescription benefits coverage as an option.

§114-78-7. Penalties and Enforcement.

7.1. Insurers issuing policies hereunder shall be subject to the examination and investigation powers of the Insurance Commissioner set forth in article two, chapter thirty-three of the West Virginia Code, and the enforcement provisions of W. Va. Code §33-2-11. Insurers issuing policies hereunder shall be subject to the provisions of article eleven, chapter thirty-three of the West Virginia Code.

§114-78-8. Severability.

8.1. If any provision of this legislative rule or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of the provision to other persons or circumstances shall not be affected.

Insurance Commissioner
Legislative Rule
Title 114, Series 78

INDIVIDUAL LIMITED HEALTH BENEFIT PLANS

TITLE 114, SERIES 78

BRIEF SUMMARY OF RULE

H.B. 4021 (RS 2006) authorized the Insurance Commissioner to approve individual limited benefit health insurance plans which are exempt from certain state mandated benefit requirements. The plans are available only to individuals who have not had health insurance coverage in the past twelve months. Rates and forms are subject to the commissioner's approval and rules regarding ratemaking, definition of eligible individuals, determination of benefits and other matters are authorized. This rule fulfills the commissioner's responsibility in that regard.

Insurance Commissioner
Legislative Rule
Title 114, Series 78

INDIVIDUAL LIMITED HEALTH BENEFIT PLANS

TITLE 114, SERIES 78

STATEMENT OF CIRCUMSTANCES

H.B. 4021, which was enacted during the 2006 regular legislative session, specifically provided that the Insurance Commissioner shall promulgate emergency rules ... "to prescribe requirements regarding ratemaking, which may include rules establishing loss ratio standards for individual plans; to place further limitations on the eligibility of individuals; to determine what medical treatments, procedures and related health services benefits must be included in such individual plans; and to provide for any other matters deemed necessary to further the intent of this article." An emergency rule mirroring this legislative rule will be filed, but it is necessary to file this legislative rule now in order to allow it to be approved by the 2007 Legislature and thereby avoid a lapse in effectiveness when the emergency rule expires after fifteen (15) months.

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Individual Limited Health Benefit Plans (Title 114 - Series 78)

Type of Rule: X Legislative Interpretive Procedural Emergency

Agency: Insurance Commissioner

Address: Post Office Box 50540
1124 Smith Street, Greenbrooke Building
Charleston, West Virginia 25305-0540

Phone Number: (304) 558-0401 Email:

Fiscal Note Summary

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

The Insurance Commission believes it can perform its duties under this legislation using its existing resources.

Fiscal Note Detail

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

FISCAL YEAR			
Effect of Proposal	Current Increase/Decrease (use "-")	Next Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	None	None	None
Personal Services	None	None	None
Current Expenses	None	None	None
Repairs & Alterations	None	None	None
Assets	None	None	None
Other	None	None	None
2. Estimated Total Revenues	None	None	None

Rule Title: Individual Limited Health Benefit Plans (Title 114 - Series 78)

3. **Explanation of above estimates (including long-range effect):**
Please include any increase or decrease in fees in your estimated total revenues.

The Insurance Commission is already engaged in approving rates and forms for health insurance plans and it can perform the additional duties required by this legislation in with its existing resources. The plans authorized in this legislation are exempt from premium tax and so they will not contribute any additional revenues.

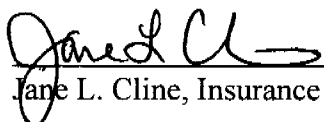
MEMORANDUM

Please identify any areas of vagueness, technical defects, reasons the proposed rule **would not** have a fiscal impact, and/or any special issues **not** captured elsewhere on this form.

None.

Date: June 5, 2006

Signature of Agency Head or Authorized Representative


Jane L. Cline, Insurance Commissioner