

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 20, 2023

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CORPORATE FINANCIAL CENTER

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COMMONWEALTH OF VIRGINIA, *ex rel.*

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STATE CORPORATION COMMISSION

Ex Parte: In the matter of an
assessment on health carriers
offering qualified individual health or dental plans
through the Virginia Health Benefit Exchange
for plan years 2024, 2025 and beyond

CASE NO. HBE-2023-00001

ASSESSMENT ORDER

Pursuant to Chapter 65 of Title 38.2 (§ 38.2-6500 *et seq.*) of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to develop and operate the Virginia Health Benefit Exchange ("Exchange"). The Exchange, which is administered by the Health Benefit Exchange Division, will begin operation as a full State-based Exchange for plan year 2024, and will continue to operate as a State-based Exchange for all future plan years.

Section 38.2-6510 of the Code authorizes the Health Benefit Exchange Division to fund the operations of the Exchange, in part, through special fund revenues generated by assessment fees on health and dental carriers offering plans through the Exchange. Section 38.2-6510 of the Code further provides that funding for the Exchange shall be in an amount sufficient to support its ongoing operations, and that assessments on health carriers shall be reasonable and necessary to support the development, operations, and prudent cash management of the Exchange. The assessment shall be approved by the Commission prior to implementation.

Section 38.2-6510 of the Code also states, among other things, that the assessment shall be based on the premium charged by a carrier for health benefits plans issued on the Exchange and each qualified dental plan offered on the Exchange during any period in which qualified health plans and qualified dental plans are effective on the Exchange. For plan year 2024, the

Health Benefit Exchange Division proposes the assessment of a user fee in the amount of 2.75% of a carrier's total monthly premium from effectuated enrollment in qualified health plans and qualified dental plans sold in the individual market through the Exchange. The Exchange has considered its anticipated operating expenses and expected enrollment, and has determined this amount sufficient to support ongoing operations and fiscal stability.

Based on anticipated increases in enrollment and other factors, for plan year 2025 and succeeding plan years, until otherwise ordered by the Commission, the Health Benefit Exchange Division proposes the assessment of a user fee in the amount of 2.5% of a carrier's total monthly premium from effectuated enrollment in qualified health plans and qualified dental plans sold in the individual market through the Exchange.

UPON CONSIDERATION thereof, and upon the finding of the Commission that it is reasonable, necessary, and proper to do so under applicable laws,

IT IS ORDERED that:

1. For plan year 2024, which begins January 1, 2024, there is hereby ASSESSED upon all health and dental carriers operating on the Exchange, a 2.75% fee on each carrier's total monthly premium from effectuated enrollment in qualified health benefit plans and qualified dental plans sold in the Commonwealth of Virginia's individual market through the Health Benefit Exchange (the "Assessment Fee").
2. For plan year 2025, which begins on January 1, 2025, and continuing thereafter until otherwise ordered by the Commission, the Assessment Fee shall be 2.5%.
3. The assessment fees set forth in paragraphs 1 and 2 ("Assessment Fees") shall be paid monthly. The Health Benefit Exchange Division is instructed to provide further guidance to carriers regarding the calculation and payment of the Assessment Fees.

4. The Assessment Fees shall not be assessed on qualified health benefit plans or qualified dental plans sold in the small employer market or on plans sold off the Exchange.

Commissioner Patricia L. West participated in this matter.

A COPY hereof shall be sent by the Clerk of the Commission to: the Bureau of Insurance, c/o Julie Blauvelt, Deputy Commissioner; and a copy shall be delivered to the Commission's Office of General Counsel and to the Health Benefit Exchange Division, c/o Keven Patchett, Acting Director.