
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 245

Session of
1979

INTRODUCED BY A. K. HUTCHINSON AND SCHMITT, FEBRUARY 13, 1979

REFERRED TO COMMITTEE ON INSURANCE, FEBRUARY 13, 1979

AN ACT

1 Providing for certain medical insurance benefits to be included
2 in certain policies.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. All group and individual accident and sickness
6 insurance policies providing hospital or medical-surgical or
7 major medical coverage, and all subscriber contracts or
8 certificates issued by a nonprofit corporation subject to 40
9 Pa.C.S., Chapter 61 (relating to hospital plan corporations),
10 Chapter 63 (relating to professional health services plan
11 corporations), and Chapter 65 (relating to fraternal benefit
12 societies), or the act of December 29, 1972 (P.L.1701, No.364),
13 known as the "Voluntary Nonprofit Health Service Act of 1972,"
14 providing hospital or medical-surgical or major medical coverage
15 shall include within the scope of such coverage those benefits
16 defined in section 2.

17 Section 2. (a) If such insurance policy, subscriber
18 contract, or certificate other than a major medical policy,

1 contract or certificate provides coverage for inpatient
2 hospitalization resulting from a covered injury or sickness,
3 such policy, contract or certificate shall also provide coverage
4 for medically necessary inpatient hospitalization for treatment
5 of mental or nervous disorders or substance abuse, either in a
6 mental hospital or a general hospital, equivalent to that
7 coverage provided for inpatient hospitalization for covered
8 injury or sickness: Provided, however, That such coverage may be
9 limited:

10 (1) If benefits are provided on the basis of a number of
11 allowable inpatient days per benefit period, to the lesser of
12 actual number of allowable days provided under the contract,
13 policy or certificate per benefit period or 60 days of
14 inpatient hospitalization per calendar year.

15 (2) If benefits are provided on a basis other than of a
16 number of allowable inpatient days, to 25% of the maximum
17 allowable reimbursable expense provided under such policy,
18 contract or certificate for inpatient hospitalization per
19 calendar year.

20 (b) If such insurance policy, subscriber contract or
21 certificate, other than a major medical policy, contract or
22 certificate, provides coverage for inpatient hospitalization
23 resulting from a covered injury or sickness, such policy,
24 contract or certificate shall also provide coverage for
25 medically necessary partial hospitalization or nonhospital
26 inpatient services for the treatment of mental or nervous
27 disorders or substance abuse: Provided, however, That such
28 coverage may be limited as provided in subsection (a), with
29 three days of partial hospitalization or nonhospital inpatient
30 services being equivalent to one day of inpatient

1 hospitalization up to a maximum of 90 days of partial
2 hospitalization.

3 (c) If such insurance policy, contract or certificate, other
4 than a major medical policy, subscriber contract or certificate,
5 provides coverage for medical-surgical treatment by a physician
6 while a hospital inpatient, such policy, contract or certificate
7 shall also provide equivalent coverage for the medically
8 necessary treatment by a physician or mental health professional
9 under the supervision of a physician of mental or nervous
10 disorders or substance abuse: Provided, however, That such
11 coverage may be limited:

12 (1) If benefits are provided on the basis of number of
13 allowable days per benefit period, to the lesser of the
14 actual days provided, or 60 days of coverage per calendar
15 year.

16 (2) If benefits are provided on the basis of number of
17 allowable visits per benefit period, to the lesser of actual
18 visits allowed per benefit period, or 60 visits per calendar
19 year.

20 (3) If benefits are provided on a basis other than on
21 number of days or number of visits, to 25% of the maximum
22 reimbursable expense provided under such policy, contract or
23 certificate for inpatient medical treatment per calendar
24 year.

25 (d) If such insurance policy, contract or certificate other
26 than a major medical policy, contract or certificate provides
27 coverage for medically necessary outpatient treatment by a
28 physician for covered injury or sickness, such policy, contract
29 or certificate shall also provide equivalent coverage for
30 medically necessary treatment by a physician or mental health

1 professional under the supervision of a physician of mental or
2 nervous disorders or substance abuse: Provided, however, That
3 such coverage may be limited to that made available by or
4 through an acceptable provider.

5 (e) If such insurance policy, contract or certificate is
6 determined by the Insurance Commissioner upon its submission for
7 review and approval, and in accordance with such rules and
8 regulations as he may promulgate, in accordance with the
9 provisions of section 354 of the act of May 17, 1921 (P.L.682,
10 No.284), known as "The Insurance Company Law of 1921," as
11 amended; 40 Pa. C.S. § 6124 (relating to rates and contracts), §
12 6329 (relating to rates and contracts) or § 6529 (relating to
13 beneficiary certificates), to be a major medical policy,
14 contract, or certificate, such policy, contract or certificate
15 shall include within the scope of its coverage as expenses
16 eligible for reimbursement, on a basis equal to that provided
17 for expenses related to covered illness or injury and with
18 deductibles and coinsurance percentages no different than those
19 provisions governing other illness or injury, those expenses
20 incurred by a covered person for medically necessary outpatient
21 treatment provided for mental or nervous disorders or substance
22 abuse by a physician or other mental health professionals under
23 the supervision of a physician and made available by or through
24 an acceptable provider.

25 Section 3. All benefits for medically necessary treatment of
26 mental or nervous disorders or substance abuse may be limited to
27 only those provided by or through an acceptable provider:

28 (1) A county or joinder mental health/mental retardation
29 or drug and alcohol abuse program.

30 (2) A corporation which has qualified as a public or

1 nonprofit community mental health center under the Mental
2 Retardation Facilities and Community Mental Health Centers
3 Construction Act of 1963, as amended, 42 U.S.C. 2661-2697(b).

4 (3) A general hospital.

5 (4) A mental hospital.

6 (5) A corporation, including a closed panel group
7 practice, which has contracted with a county or joinder
8 mental health/mental retardation or drug and alcohol abuse
9 program to provide service for a defined group.

10 (6) A facility certified as approved by the Governor's
11 Council on Drug and Alcohol Abuse.

12 Benefits shall also be limited to facilities which are
13 accredited, licensed or approved by public or private
14 accreditation, licensing or approving agencies acceptable to the
15 Department of Health.

16 Section 4. Section 618(b)(11) of the act of May 17, 1921
17 (P.L.682, No.284), known as "The Insurance Company Law of 1921,"
18 is repealed.

19 Section 5. The Insurance Commissioner may issue regulations
20 implementing this act, including definition of the terms mental
21 or nervous disorder, substance abuse and major medical.

22 Section 6. Nothing in this act shall preclude issuance of
23 any policy, contract or certificate which combines two or more
24 of the categories of coverage described in section 2.

25 Section 7. Nothing in this act shall serve to diminish the
26 benefits of any insured or subscriber effective on the act's
27 effective date nor prevent the offering or acceptance of
28 benefits better than required herein.

29 Section 8. The requirements of this act shall apply to all
30 insurance policies, subscriber contracts or certificates, and

1 group insurance certificates issued under any group master
2 policy, delivered or issued for delivery more than 180 days
3 after the effective date. The requirements of this act shall
4 also apply to all renewals for contracts on any renewal date
5 which is more than 180 days after the effective date of the act.

6 Section 9. This act shall take effect immediately.