

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1583

Session of
1985

INTRODUCED BY D. R. WRIGHT, NOYE, STEIGHNER, EVANS, TIGUE,
LETTERMAN, SWEET, LIVENGOD, WOZNIAK, BELFANTI, YANDRISEVITS,
KUKOVICH, VAN HORNE, SAURMAN, SIRIANNI, ARTY, GLADECK,
GREENWOOD AND BUSH, JUNE 28, 1985

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, JUNE 28, 1985

AN ACT

1 Providing for health care facility utilization review.

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

4 Section 1. Short title.

5 This act shall be known and may be cited as the Health and
6 Accident Insurance Utilization Review Act.

7 Section 2. Legislative intent.

8 Cost-efficient utilization review is known to be of
9 substantial assistance in limiting the escalation of the costs
10 of health care and, appropriate utilization review enhances the
11 ability of health care facilities to assure the quality of
12 health care provided. It is therefore the intent of the General
13 Assembly to require the promulgation of utilization review
14 regulations by the Department of Health in select areas which
15 will tend to promote such ends in a cost-effective way and which
16 will require health care facilities to cooperate in the

1 implementation and maintenance of utilization review.

2 Section 3. Standard utilization review requirements.

3 (a) Second surgical opinions.--The Insurance Commissioner
4 shall issue regulations establishing standard policy provisions
5 requiring, as a condition of indemnity or benefits, objective
6 second surgical opinions regarding the desirability of
7 performing such nonemergency high-cost, high-risk surgical
8 operations, where variations in prescribed procedures are
9 prevalent, as may be designated in regulations promulgated by
10 the Department of Health, under section 803 of the act of July
11 19, 1979 (P.L.130, No.48), known as the Health Care Facilities
12 Act.

13 (b) Ambulatory surgical procedures.--The Insurance
14 Commissioner shall issue regulations establishing standard
15 policy provisions requiring coverage for ambulatory surgical
16 procedures and providing economic incentives to the policyholder
17 to make maximum use of ambulatory surgery by limiting indemnity
18 or benefits where inpatient surgical admissions are utilized in
19 cases designated by the Department of Health as safe and
20 medically appropriate for ambulatory surgical procedures in
21 regulations promulgated by the department, under section 803 of
22 the Health Care Facilities Act.

23 Section 4. Utilization review requirements.

24 The Department of Health shall promulgate, not later than six
25 months from the effective date of this act, after consultation
26 with the policy board and the Insurance Department, rules and
27 regulations establishing minimum standards for facility-
28 administered utilization review requirements which shall include
29 the following:

30 (1) Preadmission review of such elective admissions as

1 shall be designated by the Department of Health.

2 (2) Postadmission review of emergency admissions.

3 (3) Concurrent review of all admissions.

4 (4) Discharge planning review.

5 (5) Objective second surgical opinions regarding the
6 desirability of performing such nonemergency surgical
7 procedures as the department may determine to be high-cost,
8 high-risk procedures.

9 (6) Uniform protocols requiring health care facilities
10 to assist insureds to satisfy those second surgical opinion
11 and ambulatory surgical procedure utilization review
12 requirements of health and accident policies or contracts of
13 insurance which conform to the uniform facility-administered
14 utilization review requirements established by the Department
15 of Health and requiring cooperation with all insurers writing
16 such policies or contracts.

17 (7) The designation, with periodic review of:

18 (i) those elective admissions which shall be subject
19 to preadmission review;

20 (ii) those nonemergency, high-cost, high-risk and
21 variable surgical procedures which shall be subject to an
22 objective second surgical opinion before they are
23 undertaken; and

24 (iii) those surgical procedures which can be safely
25 performed on an ambulatory basis and are medically
26 appropriate.

27 Section 5. Applicability.

28 The provisions of this act and regulations promulgated
29 pursuant thereto shall apply to all policies, contracts,
30 certificates or programs of health and accident insurance

1 issued, renewed, amended or reissued by insurers subject to
2 policy form approval by the Insurance Department, including, but
3 not limited to, all nonprofit service plans, all fraternal
4 benefit societies and beneficial societies subject to Title 40
5 of the Pennsylvania Consolidated Statutes (relating to
6 insurance).

7 Section 6. Effective date.

8 This act shall take effect in 60 days.