

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2748 Session of
1994

INTRODUCED BY OLASZ, TRELLO, BELFANTI, KING, SERAFINI, STABACK,
BELARDI, MUNDY, PISTELLA, STEELMAN, MERRY, STURLA, MIHALICH,
PETRARCA, DEMPSEY, CLARK, PRESTON, LUCYK, MELIO, PESCI,
GIGLIOTTI, VEON, STEIGHNER, PETRONE, DeLUCA, HALUSKA,
LAUGHLIN, BATTISTO, CORRIGAN, KUKOVICH, PHILLIPS, GORDNER,
RITTER, FEE, GEORGE, JAROLIN, RICHARDSON AND WASHINGTON,
MAY 16, 1994

REFERRED TO COMMITTEE ON INSURANCE, MAY 16, 1994

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," prohibiting discrimination against
12 willing providers by health care benefit plan payers.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. The act of May 17, 1921 (P.L.682, No.284), known
16 as The Insurance Company Law of 1921, is amended by adding an
17 article to read:

ARTICLE XVIII.

NONDISCRIMINATION BY PAYERS IN HEALTH

CARE BENEFIT PLANS.

1 Section 1801. Definitions.--As used in this article the
2 following words and phrases shall have the meanings given to
3 them in this section:

4 "Health care benefit plan." An insurance policy, contract or
5 plan that provides health care to participants or beneficiaries
6 directly or through insurance, reimbursement or otherwise.

7 "Health care payer." An individual or entity that is
8 responsible for providing or paying for all or part of the cost
9 of health care services covered by a health care benefit plan. A
10 health care payer includes, but is not limited to, an entity
11 subject to: 40 Pa.C.S. Ch. 61 (relating to hospital plan
12 corporations) or 63 (relating to professional health services
13 plan corporations); this act, including any preferred provider
14 organization subject to section 630; the act of December 29,
15 1972 (P.L.1701, No.364), known as the "Health Maintenance
16 Organization Act"; or the act of December 14, 1992 (P.L.835,
17 No.134), known as the "Fraternal Benefit Societies Code"; or an
18 agreement by a self-insured employer or self-insured multiple
19 employer trust to provide health care benefits to employees and
20 their dependents.

21 Section 1802. Discrimination Against Willing Provider
22 Prohibited.--A health care payer shall be required to contract
23 with and to accept as a health care benefit plan participant any
24 willing provider of health care services. A health care payer
25 shall not discriminate against a provider of health care
26 services who agrees to accept negotiated payment levels and to
27 adhere to quality standards established by the health care
28 payer.

29 Section 1803. Construction of Article.--Provisions of the
30 Employee Retirement Income Security Act of 1974 referred to as

1 ERISA (Public Law 93-406, 88 Stat. 829), currently prohibit the
2 application of this article to certain types of health care
3 benefit plans and health care payers. It is the intent of the
4 General Assembly that this article be given the broadest
5 possible application and that its scope include applications
6 permitted by future legislative amendments and judicial
7 interpretations of ERISA.

8 Section 2. The provisions of this act are severable. If any
9 provision of this act or its application to any person or
10 circumstance is held invalid, the invalidity shall not affect
11 other provisions or applications of this act which can be given
12 effect without the invalid provision or application.

13 Section 3. This act shall take effect in 60 days.