

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 693 Session of
1999

INTRODUCED BY NICKOL, BENNINGHOFF, VANCE, MAITLAND, MELIO,
GANNON, GEIST, MASLAND, BARRAR, HERMAN, ZUG, ORIE, TRELLO,
ROSS, STABACK, SOLOBAY, E. Z. TAYLOR, CLARK, PLATTS, SAYLOR
AND SEMMEL, MARCH 2, 1999

REFERRED TO COMMITTEE ON INSURANCE, MARCH 2, 1999

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," providing for joint payment for
12 health care services.

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 a
17 section to read:

18 Section 635.2. Joint Payment for Health Care Service.--(a)
19 Whenever direct payment is made to an insured for a claim
20 covered under a health insurance policy for a service performed
21 by a person properly licensed under the laws of this
22 Commonwealth for the practice of medicine, osteopathy,

dentistry, chiropractic, podiatry, optometry or physical
therapy, the payment shall be made jointly payable to the
insured and the provider of the service to require the
endorsement by each.

(b) The joint payment required under subsection (a) shall
not apply in the following instances:

(1) Payment is made under terms of the health insurance
policy in the single name of the provider.

(2) Evidence of prepayment to the provider is submitted as
part of a claim for payment to the insurer, in which case
payment shall be made in the single name of the insured.

(3) A provider waives the right to joint payment.

(c) The term "health insurance policy," when used in this
section, means any individual or group health, sickness and
accident insurance policy, group health insurance plans or
policies, and all other forms of managed or capitated care plans
or policies or subscriber contract or certificate issued by any
entity which is providing health care coverage and which is
subject to any of the following statutes:

(1) 40 Pa.C.S. Ch. 61 (relating to hospital plan
corporations).

(2) 40 Pa.C.S. Ch. 63 (relating to professional health
services plan corporations).

(3) The act of December 29, 1972 (P.L.1701, No.364), known
as the "Health Maintenance Organization Act."

(4) The act of December 14, 1992 (P.L.835, No.134), known as
the "Fraternal Benefit Societies Code."

(5) This act.

(d) This section shall apply to all insurance policies,
subscriber contracts and group insurance certificates issued

1 under any group master policy delivered or issued for delivery
2 on or after the effective date of this section and shall also
3 apply to all renewals of contracts when the renewal date occurs
4 on or after the effective date of this section.

5 Section 2. This act shall take effect in 120 days.