

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1826 Session of
2007

INTRODUCED BY MUSTIO, BOYD, COX, CUTLER, J. EVANS, GILLESPIE,
KENNEY, KILLION, MILNE, NICKOL, PICKETT, REICHLEY, STERN,
TURZAI, WATSON AND S. H. SMITH, DECEMBER 6, 2007

REFERRED TO COMMITTEE ON INSURANCE, DECEMBER 6, 2007

AN ACT

1 Amending the act of June 26, 2001 (P.L.755, No.77), entitled "An
2 act establishing a special fund and account for money
3 received by the Commonwealth from the Master Settlement
4 Agreement with tobacco manufacturers; providing for home and
5 community-based care, for tobacco use prevention and
6 cessation efforts, for Commonwealth universal research
7 enhancement, for hospital uncompensated care, for health
8 investment insurance, for medical assistance for workers with
9 disabilities, for regional biotechnology research centers,
10 for the HealthLink Program, for community-based health care
11 assistance programs, for PACE reinstatement and PACENET
12 expansion, for medical education loan assistance and for
13 percentage allocation and appropriation of moneys," further
14 providing for the adult basic coverage insurance program.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Section 1303(b) and (d) of the act of June 26,
18 2001 (P.L.755, No.77), known as the Tobacco Settlement Act, are
19 amended and the section is amended by adding a subsection to
20 read:

21 Section 1303. Adult basic coverage insurance program.

22 * * *

23 (b) Eligible adult responsibilities.--An eligible adult

1 seeking to purchase adult basic coverage insurance shall:

2 (1) Submit an application to the department.

3 (2) Pay to the department or its contractor an amount of
4 \$30 per month of coverage or a monthly amount for coverage as
5 determined under subsection (b.1), as applicable. Beginning
6 January 1, 2003, the monthly payment amount shall be adjusted
7 based on the annual change in the Consumer Price Index for
8 the 12 preceding months for which data is available.

9 Notification of any change in the monthly payment amount
10 shall be provided to eligible adults participating in the
11 program.

12 (3) Be responsible for any required copayments for
13 health care services rendered under the benefit package in
14 subsection (f)(2).

15 (4) Notify the department or its contractor of any
16 change in the eligible adult's income.

17 (b.1) Coverage and options.--Coverage and options are as
18 follows:

19 (1) Eligible adults enrolled in the adult basic coverage
20 insurance program as of the effective date of this subsection
21 shall pay a monthly amount on a sliding scale set by the
22 department for the adult basic coverage insurance program.
23 This scale shall apply to eligible adults whose income is
24 between 150% and 200% of the Federal poverty level and shall
25 not be less than \$60 per month and shall be updated once per
26 calendar year by providing notice in the Pennsylvania
27 Bulletin.

28 (2) Eligible adults on the adult basic coverage
29 insurance program as of the effective date of this subsection
30 shall not be subject to a lifetime maximum benefit limit.

1 * * *

2 (d) Potential waiting list.--

3 (1) The department shall maintain a waiting list of
4 eligible adults who have applied for adult basic coverage
5 insurance but who are not enrolled due to insufficient
6 appropriations. An eligible adult on the waiting list may
7 purchase the benefit package at the monthly per member
8 premium cost negotiated by the department.

9 (2) Eligible adults on the potential waiting list
10 transitioning on the adult basic coverage insurance program
11 on or after the effective date of this paragraph shall choose
12 between two options:

13 (i) adult basic benefits with no deductible, with a
14 lifetime maximum benefit of \$250,000; or

15 (ii) a high-deductible health plan and health
16 savings account as authorized under section 223(c)(2) and
17 (d) of the Internal Revenue Code of 1986 (Public Law 99-
18 514, 26 U.S.C. § 223(c)(2) and (d)). Eligible adults
19 choosing this option shall deposit into a health savings
20 account an amount equal to one-half the premium paid by
21 an eligible adult on the waiting list who purchases adult
22 basic benefits at cost. The high deductible health plan
23 in this section shall have a lifetime maximum benefit of
24 \$1,000,000.

25 (3) On a quarterly basis the department shall review
26 eligible adults in the adult basic coverage insurance program
27 and on the waiting list to ascertain whether or not they meet
28 income eligibility standards and whether or not there is an
29 alternative private sector insurance program, such as
30 dependent coverage, for which they could apply. Adults deemed

1 ineligible may be subject to termination of benefits and a
2 request for reimbursement to the Commonwealth if the total
3 monthly amounts stated in subsection (b.1)(1) exceed \$1,000.
4 Adults affected by this section shall have recourse to
5 internal review procedures established by the department no
6 longer than 90 days after the effective date of this
7 paragraph.

8 (4) On a monthly basis the department shall determine
9 the number of eligible adults who have discontinued their
10 participation in the program and shall transfer the same
11 number of eligible adults from the waiting list to the
12 program for participation provided they otherwise qualify.

13 * * *

14 Section 2. This act shall take effect in 60 days.