

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 25

Session of  
2007

INTRODUCED BY MUSTO, COSTA, WASHINGTON, A. WILLIAMS, GREENLEAF,  
FONTANA, WOZNIAK, KITCHEN, LAVALLE, MELLOW, LOGAN, BOSCOLA,  
O'PAKE, STACK, KASUNIC, DINNIMAN AND HUGHES, JANUARY 29, 2007

REFERRED TO BANKING AND INSURANCE, JANUARY 29, 2007

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," further providing, in health care  
12 insurance individual accessibility, for definitions and for  
13 benefits.

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

16 Section 1. Sections 1002-A and 1006-A of the act of May 17,  
17 1921 (P.L.682, No.284), known as The Insurance Company Law of  
18 1921, added November 4, 1997 (P.L.492, No.51), are amended to  
19 read:

20 Section 1002-A. Definitions.--(a) As used in this article,  
21 the following words and phrases shall have the meanings given to  
22 them in this section unless the context clearly indicates  
23 otherwise:

"Commissioner." The Insurance Commissioner of the Commonwealth.

"Department." The Insurance Department of the Commonwealth.

"Designated insurers." An insurer required to offer health coverage to eligible individuals under section 1003-A.

"Eligible individual." A resident of this Commonwealth who meets the definition in section 2741(b) of the Federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191, 110 Stat. 1936).

"Federal act." The Federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191, 110 Stat. 1936).

"Fraternal benefit society." An entity holding a current certificate of authority in this Commonwealth under the act of December 14, 1992 (P.L.835, No.134), known as the "Fraternal Benefit Societies Code."

"Full-time student." An individual who is:

(1) matriculated at an institution of higher education in this Commonwealth; and

(2) carrying at least twelve (12) credit hours per semester, or the equivalent for an institution which does not use semesters.

"Health maintenance organization" or "HMO." An entity holding a current certificate of authority under the act of December 29, 1972 (P.L.1701, No.364), known as the "Health Maintenance Organization Act."

"Hospital plan corporation." An entity holding a current certificate of authority organized and operated under 40 Pa.C.S. Ch. 61 (relating to hospital plan corporations).

"Insurer." A foreign or domestic insurance company, association or exchange, health maintenance organization,

1 hospital plan corporation, professional health services plan  
2 corporation, fraternal benefit society or risk-assuming  
3 preferred provider organization. The term does not include a  
4 group health plan as defined in section 2791 of the Federal  
5 Health Insurance Portability and Accountability Act of 1996  
6 (Public Law 104-191, 110 Stat. 1936).

7 "Medical loss ratio." The ratio of incurred medical claim  
8 costs to earned premiums.

9 "Preferred provider organization" or "PPO." An entity  
10 holding a current certificate of authority organized and  
11 operated under section 630 of this act.

12 "Professional health services plan corporation." An entity  
13 holding a current certificate of authority organized and  
14 operated under 40 Pa.C.S. Ch. 63 (relating to professional  
15 health services plan corporations). The term does not include  
16 dental service corporations or optometric service corporations  
17 as defined under 40 Pa.C.S. § 6302(a) (relating to definitions).

18 (b) The words, terms and definitions found in the Federal  
19 Health Insurance Portability and Accountability Act of 1996  
20 (Public Law 104-191, 110 Stat. 1936), including, but not limited  
21 to, those definitions in section 2791 of that act, are hereby  
22 adopted for purposes of implementing this article unless  
23 otherwise provided by this article. The term "health insurance  
24 issuer" found in section 2791(b)(2) of the Federal Health  
25 Insurance Portability and Accountability Act of 1996 (Public Law  
26 104-191, 110 Stat. 1936) shall have the same meaning as  
27 "insurer" in subsection (a).

28 Section 1006-A. [Coordination of] Benefits.--(a) Benefits  
29 provided under individual policies by an insurer may be subject  
30 to coordination of benefits with any other group policy,

1 individual policy, Federal or State government program, labor-  
2 management trustee plan, union welfare plan, employer  
3 organization plan or employee benefit organization plan except  
4 as otherwise provided by law.

5 (b) An insurer that issues health care insurance shall offer  
6 extended coverage for each child of an insured who:

7 (1) is under thirty (30) years of age;

8 (2) is not married;

9 (3) has no dependents;

10 (4) is a resident of this Commonwealth or is enrolled as a  
11 full-time student at an institution of higher education in this  
12 Commonwealth; and

13 (5) is not covered by another health insurance policy.

14 Section 2. The amendment of section 1006-A of the act shall  
15 apply to policies offered for issuance or renewal on or after  
16 the effective date of this section.

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