

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 38

Session of  
2009

INTRODUCED BY GREENLEAF, FONTANA, BROWNE, RAFFERTY, EARLL AND  
O'PAKE, JANUARY 20, 2009

REFERRED TO BANKING AND INSURANCE, JANUARY 20, 2009

AN ACT

1 Requiring the Insurance Department to develop various  
2 standardized basic health insurance plans that insurers may  
3 offer to individuals and small employers; and providing for  
4 the filing of rates by insurers and for disclosure statement.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Basic Health  
9 Insurance Plans for Pennsylvanians Act.

10 Section 2. Statement of purpose.

11 The General Assembly recognizes the need for individuals,  
12 employers and other purchasers of health insurance coverage in  
13 this Commonwealth to have the opportunity to choose health  
14 insurance plans that are more affordable and flexible than  
15 existing market policies offering health insurance coverage.  
16 Therefore, the General Assembly seeks to increase the  
17 availability of health insurance coverage by having the  
18 Insurance Department develop several basic health insurance  
19 plans which insurers may offer that, in whole or in part, do not

1 offer or provide State-mandated health benefits.

2 Section 3. Definitions.

3 The following words and phrases when used in this act shall  
4 have the meanings given to them in this section unless the  
5 context clearly indicates otherwise:

6 "Basic health insurance plans." One of ten standardized  
7 health insurance policies called "A" through "J" which the  
8 Insurance Department develops and insurers may offer to a  
9 qualified individual and small employer that, in whole or in  
10 part, do not offer or provide State-mandated health benefits.

11 "Commissioner." The Insurance Commissioner of the  
12 Commonwealth.

13 "Department." The Insurance Department of the Commonwealth.

14 "Dependent child." A natural or adopted child of an  
15 employee. The term includes a stepchild who resides in an  
16 employee's household if the employee has assumed the financial  
17 responsibility for the child and another parent is not legally  
18 responsible for the support and medical expenses of the child.

19 "Eligible dependent." A spouse of an employee and a  
20 dependent child who is under 19 years of age.

21 "Insurer." An insurer, health maintenance organization,  
22 fraternal benefit society, hospital plan or health services plan  
23 corporation that offers basic small group insurance plans to  
24 small employers.

25 "Qualified individual." A person employed by a small  
26 employer who is an active employee or eligible dependent or who  
27 is self-employed.

28 "Small employer." A person, firm, corporation, partnership  
29 or association that employed, on at least 50% of its working  
30 days during the preceding year, at least two but not more than

1 100 employees.

2 Section 4. Basic health insurance plans.

3 (a) Development of standard plans.--The department shall  
4 develop ten standard basic health insurance plans named "A"  
5 through "J" that insurers may offer to a qualified individual  
6 and small employer.

7 (b) Waiver of State mandates.--No law requiring the coverage  
8 of a health care benefit or service or requiring the  
9 reimbursement, utilization or inclusion of a specific category  
10 of licensed health care practitioners shall apply to basic  
11 health insurance plans delivered or issued for delivery in this  
12 Commonwealth.

13 (c) Benefit plans.--In developing the ten standard basic  
14 health insurance plans, the department must ensure that each  
15 standardized plan covers basic or core benefits and has a  
16 different set of benefits. All plans with the same letter shall  
17 cover the same benefits. Plan A shall cover only the basic or  
18 core benefits and Plan J shall cover the most benefits.

19 (d) Copayment and deductibles.--The department may establish  
20 a copayment or deductible for each of the basic health insurance  
21 plans.

22 Section 5. Offering and rate filing of basic health insurance  
23 plans.

24 (a) Offering.--Insurers may offer, as an option, one or more  
25 of the basic health insurance plans developed by the department  
26 to a qualified individual and small employer.

27 (b) Filing.--Insurers must file their rates with the  
28 department for approval by the commissioner for each basic  
29 health insurance plan that they intend to deliver or issue for  
30 delivery to any qualified individual and small employer in this

1 Commonwealth.

2 (c) Additional coverage.--Insurers may offer benefits in  
3 addition to those offered under the basic health insurance plans  
4 and charge an additional premium accordingly.

5 Section 6. Disclosure statement.

6 (a) Written disclosure.--When an insurer issues a basic  
7 health insurance plan policy, the insurer shall provide an  
8 applicant or subscriber of the basic health insurance plan with  
9 a written disclosure statement in a form and manner required by  
10 rule or regulation promulgated by the commissioner that:

11 (1) Acknowledges that the basic health insurance plan  
12 being purchased does not provide some or all State-mandated  
13 health benefits.

14 (2) Lists those State-mandated health benefits not  
15 included under the basic health insurance plan.

16 (3) Includes a section that allows for a signature by  
17 the applicant or subscriber attesting to the fact that the  
18 applicant or subscriber has read and understood the  
19 disclosure statement.

20 (b) Return of disclosure.--

21 (1) Each applicant and subscriber for initial coverage  
22 of a basic health insurance plan must sign the disclosure  
23 statement provided by the insurer under subsection (a) and  
24 return the statement to the insurer.

25 (2) Under a group policy or contract, the term  
26 "applicant" means the employer and the term "subscriber"  
27 means the employee. Under an individual policy or contract  
28 "applicant" means the individual purchasing the policy.

29 (c) Record retention.--An insurer must:

30 (1) Retain the signed disclosure statement in the

insurer's records.

(2) Provide the signed disclosure statement to the department upon the request from the commissioner.

#### Section 7. Additional policies.

An insurer that offers one or more basic health insurance plans to a qualified individual and small employer must also offer at least one health insurance policy that has been filed and approved with the department and includes coverage for all State-mandated health benefits. A small employer that offers a basic health insurance plan to its eligible employees must offer at least one health insurance policy that includes coverage for all State-mandated health benefits that has been filed and approved by the department.

#### Section 8. Regulations.

The commissioner shall promulgate any rules and regulations necessary to implement the provisions of this act.

#### Section 9. Effective date.

This act shall take effect in 60 days.