

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1257 Session of
1993

INTRODUCED BY MURPHY, DeWEESE, BLAUM, TRELLO, MARKOSEK, TIGUE,
DeLUCA, STABACK AND CAWLEY, APRIL 19, 1993

REFERRED TO COMMITTEE ON INSURANCE, APRIL 19, 1993

AN ACT

1 Amending the act of December 29, 1972 (P.L.1701, No.364),
2 entitled "An act providing for the establishment of nonprofit
3 corporations having the purpose of establishing, maintaining
4 and operating a health service plan; providing for
5 supervision and certain regulations by the Insurance
6 Department and the Department of Health; giving the Insurance
7 Commissioner and the Secretary of Health certain powers and
8 duties; exempting the nonprofit corporations from certain
9 taxes and providing penalties," further providing for
10 penalties.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Section 15(a) of the act of December 29, 1972
14 (P.L.1701, No.364), known as the Health Maintenance Organization
15 Act, amended December 19, 1980 (P.L.1300, No.234), is amended to
16 read:

17 Section 15. Penalty.--(a) The commissioner and secretary
18 may suspend or revoke any certificate of authority issued to a
19 health maintenance organization under this act, or, in their
20 discretion, impose a penalty of not more than one thousand
21 dollars (\$1,000) for each and every unlawful act committed, if

1 they find that any of the following conditions exist:

2 (1) that the health maintenance organization is providing
3 inadequate or poor quality care, thereby creating a threat to
4 the health and safety of its subscribers;

5 (2) that the health maintenance organization is unable to
6 fulfill its contractual obligations to its subscribers;

7 (3) that the health maintenance organization or any person
8 on its behalf has advertised its services in an untrue,
9 misrepresentative, misleading, deceptive or unfair manner; [or]

10 (3.1) that the health maintenance organization failed to
11 cover emergency room treatment, except when:

12 (i) the subscriber failed to request authorization from the
13 health maintenance organization, and the subscriber should have
14 known that emergency room treatment was not required for the
15 condition treated; or

16 (ii) the health maintenance organization advised the
17 subscriber that the condition for which the subscriber is
18 seeking treatment does not require emergency room treatment and
19 will not be covered, provided that the health maintenance
20 organization responds to the subscriber's request within two
21 minutes of the emergency contact; or

22 (4) that the health maintenance organization has otherwise
23 failed to substantially comply with this act.

24 * * *

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