

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 673 Session of
1997

INTRODUCED BY DeLUCA, OLASZ, YOUNGBLOOD, BELARDI AND KIRKLAND,
MARCH 5, 1997

REFERRED TO COMMITTEE ON INSURANCE, MARCH 5, 1997

AN ACT

1 Amending the act of July 22, 1974 (P.L.589, No.205), entitled
2 "An act relating to unfair insurance practices; prohibiting
3 unfair methods of competition and unfair or deceptive acts
4 and practices; and prescribing remedies and penalties,"
5 further providing for definitions and for unfair competition
6 and practices, specifically relating to limitations on
7 contracts for remuneration of practitioners of the healing
8 arts by health care providers, insurance companies and health
9 maintenance organizations.

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

12 Section 1. Section 3 of the act of July 22, 1974 (P.L.589,
13 No.205), known as the Unfair Insurance Practices Act, is amended
14 by adding definitions to read:

15 Section 3. Definitions.--As used in this act:

16 * * *

17 "Health care facility" means any health care facility
18 providing clinically related health services, including, but not
19 limited to, a general or special hospital, including psychiatric
20 hospitals, rehabilitation hospitals, ambulatory surgical
21 facilities, long-term care nursing facilities, cancer treatment

1 centers using radiation therapy on an ambulatory basis and
2 inpatient drug and alcohol treatment facilities, both profit and
3 nonprofit and including those operated by an agency or State or
4 local government. The term shall not include an office used
5 primarily for the private or group practice by health care
6 practitioners where no reviewable clinically related health
7 service is offered, a facility providing treatment solely on the
8 basis of prayer or spiritual means in accordance with the tenets
9 of any church or religious denomination or a facility conducted
10 by a religious organization for the purpose of providing health
11 care services exclusively to clergy or other persons in a
12 religious profession who are members of the religious
13 denominations conducting the facility.

14 "Health care practitioner" means an individual who is
15 authorized to practice some component of the healing arts by a
16 license, permit, certificate or registration issued by a
17 Commonwealth licensing agency or board.

18 "Health care provider" means an individual, trust or estate,
19 partnership, corporation, including associations, joint stock
20 companies and insurance companies, the Commonwealth or a
21 political subdivision or instrumentality, including a municipal
22 corporation or authority, that operates a health care facility.

23 * * *

24 Section 2. Section 5(a) of the act is amended by adding a
25 paragraph to read:

26 Section 5. Unfair Methods of Competition and Unfair or
27 Deceptive Acts or Practices Defined.--(a) "Unfair methods of
28 competition" and "unfair or deceptive acts or practices" in the
29 business of insurance means:

30 * * *

1 (15) Entering into any agreement with any health care
2 provider or health care practitioner which increases
3 remuneration for the health care provider or health care
4 practitioner based in any way upon limitations or reductions in
5 the number of patients referred to specialists or other health
6 care practitioners. This paragraph shall apply to all insurance
7 companies including health maintenance organizations.

8 * * *

9 Section 3. This act shall take effect immediately.