

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 134 Session of 2009

INTRODUCED BY KILLION, BARRAR, BOYD, CUTLER, ELLIS, GEIST, GROVE, HUTCHINSON, KIRKLAND, MILLARD, MILLER, MUSTIO, PICKETT, REICHLEY, ROSS, STERN, VULAKOVICH, WATSON, BEAR, FLECK, MARSHALL, MAJOR AND MILNE, JANUARY 30, 2009

REFERRED TO COMMITTEE ON INSURANCE, JANUARY 30, 2009

AN ACT

1 Requiring the Insurance Department to develop standard health
2 benefit plans that certain insurers shall offer to
3 individuals and small employers; and requiring the Insurance
4 Department to facilitate the availability of standard health
5 benefit plan information by electronic and other means.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the LifeLine
10 Health Insurance Act.

11 Section 2. Statement of purpose.

12 The General Assembly finds and declares as follows:

13 (1) There is a need for individuals and employers in
14 this Commonwealth to have the opportunity to acquire health
15 benefit plans that provide appropriate and affordable
16 coverage.

17 (2) The Commonwealth should increase the availability of
18 coverage by specifying health benefit plans which certain

insurers shall offer and requiring the Insurance Department to take steps to facilitate the availability of information relating to the plans and their terms, conditions and premiums through electronic and other means.

Section 3. Definitions.

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

"Commissioner." The Insurance Commissioner of the Commonwealth.

"Department." The Insurance Department of the Commonwealth.

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

"Eligible dependent." A spouse of a qualified individual and any dependent children who are under 19 years of age.

"Health benefit plan." An individual or group health insurance policy, subscriber contract, certificate or plan that provides health or sickness and accident coverage which is offered by an insurer. The term does not include any of the following:

- (1) An accident only policy.
- (2) A limited benefit policy.
- (3) A credit only policy.
- (4) A long-term or disability income policy.
- (5) A specified disease policy.
- (6) A Medicare supplement policy.

1 (7) A Civilian Health and Medical Program of the
2 Uniformed Services (CHAMPUS) supplement policy.

3 (8) A fixed indemnity policy.

4 (9) A dental only policy.

5 (10) A vision only policy.

6 (11) A workers' compensation policy.

7 (12) An automobile medical payment policy under 75
8 Pa.C.S. (relating to vehicles).

9 "High deductible health plan." A health insurance policy
10 that would qualify as a high deductible health plan under
11 section 223(c)(2) of the Internal Revenue Code of 1986 (Public
12 Law 99-514, 26 U.S.C. § 223(c)(2)).

13 "Insurer." A company or health insurance entity licensed in
14 this Commonwealth to issue any individual or group health
15 insurance, sickness or accident policy, subscriber contract,
16 certificate or plan that provides medical or health care
17 coverage by a health care facility or licensed health care
18 provider that is offered or governed under any of the following:

19 (1) This act.

20 (2) The act of December 29, 1972 (P.L.1701, No.364),
21 known as the Health Maintenance Organization Act.

22 (3) The act of May 18, 1976 (P.L.123, No.54), known as
23 the Individual Accident and Sickness Insurance Minimum
24 Standards Act.

25 (4) 40 Pa.C.S. Ch. 61 (relating to hospital plan
26 corporations) or 63 (relating to professional health services
27 plan corporations).

28 "Licensee." An individual who is licensed by the Department
29 of State to provide professional health care services in this
30 Commonwealth.

1 "LifeLine health plan." A health benefit plan that offers
2 the following, subject to the provisions of section 4:

3 (1) Twenty-one days of inpatient hospital surgical and
4 medical coverage per policy year.

5 (2) Coverage for four office visits for primary health
6 care services for covered services rendered by a licensee,
7 subject to a copayment for each visit of \$10 for treatment of
8 injury or illness.

9 (3) Coverage for surgery and anesthesia.

10 (4) Coverage for emergency accident and medical
11 treatment.

12 (5) Coverage for diagnostic services up to \$1,000 for
13 each policy year.

14 (6) Coverage for chemotherapy and radiation treatment.

15 (7) Coverage for maternity care.

16 (8) Coverage for newborn care for up to 31 days
17 following birth.

18 "Participating insurer." An insurer that offers health
19 benefit plans to groups or individuals and which has health
20 benefit plans in force covering in the aggregate at least
21 100,000 qualified individuals in this Commonwealth.

22 "Standard health benefit plan." The LifeLine health plan and
23 any high deductible health plan offered by participating
24 insurers to individuals and employers.

25 Section 4. Offering of standard health benefit plans.

26 (a) Offering of plans.--All participating insurers shall
27 offer the standard benefit plans specified under this act to
28 individuals and to employers for the benefit of individuals
29 employed by them.

30 (b) Inclusion in coverage.--

1 (1) If coverage is provided to eligible dependents under
2 a LifeLine health plan, the coverage shall include dependent
3 children of the insured from the moment of birth and for
4 adopted dependent children with prior coverage from the date
5 of the interlocutory decree of adoption.

6 (2) The participating insurer may require that the
7 insured give notice to it of any newborn child within 90 days
8 following the birth of the child and of any adopted child
9 within 60 days of the date the insured has filed a petition
10 to adopt.

11 (c) Exclusion.--Participating insurers may exclude coverage
12 under a LifeLine health plan for an individual who has not been
13 covered by a health benefit plan for more than 30 days for up to
14 one year for medical conditions for which medical advice or
15 treatment was received by the individual during the 12 months
16 prior to the effective date of the individual's LifeLine health
17 plan policy.

18 (d) Applicability.--No law, regulation or administrative
19 directive requiring the coverage of a health care benefit or
20 service or requiring the reimbursement, utilization or inclusion
21 of a specific category of licensee shall apply to LifeLine
22 health plans delivered or issued for delivery in this
23 Commonwealth under the authority granted under this act,
24 including the provision of the benefits or requirements mandated
25 under Article VI-A of the act of May 17, 1921 (P.L.682, No.284),
26 known as The Insurance Company Law of 1921, or by regulations
27 promulgated under this act.

28 Section 5. Facilitation by the department of access to standard
29 health benefit plans and related information.

30 (a) Duty of department.--The department shall take all

1 actions necessary to effectuate the provisions of this act so
2 that participating insurers are able to make standard benefit
3 plans available not later than 180 days following the effective
4 date of this section.

5 (b) Demonstration of coverage.--

6 (1) Each insurer shall, not more than 90 days after the
7 effective date of this section, demonstrate to the
8 commissioner all of the following:

9 (i) If it has health benefit plans in force covering
10 a sufficient number of individuals to qualify as a
11 participating insurer.

12 (ii) If qualified as a participating insurer, that
13 it has the capacity to issue standard health benefit
14 plans and provide information sufficient to permit the
15 department to discharge the responsibilities assigned to
16 it under subsection (d).

17 (iii) If qualified as a participating insurer, that
18 it has undertaken a process to make standard benefit
19 plans available not later than 180 days following the
20 effective date of this section.

21 (2) The commissioner shall notify an insurer of its
22 qualification as a participating insurer under this
23 subsection.

24 (c) Demonstration of capacity.--

25 (1) An insurer shall, within 30 days of first providing
26 coverage under health benefit plans to a sufficient number of
27 individuals to qualify as a participating insurer under this
28 act, demonstrate to the commissioner that:

29 (i) It has the capacity to issue standard health
30 benefit plans and provide information sufficient to

1 permit the department to discharge the responsibilities
2 assigned to it under subsection (d).

3 (ii) It has undertaken a process to make standard
4 benefit plans available not later than 180 days following
5 provision of the information to the commissioner.

6 (2) The commissioner shall notify an insurer of its
7 qualification as a participating insurer under this
8 subsection.

9 (d) Facilitation.--The department shall facilitate the
10 availability of information relating to standard health benefit
11 plans by electronic and other means, inclusive of pricing and
12 benefit information and all other relevant information, so that
13 prospective purchasers of the plans have the ability to compare
14 benefits, terms, conditions and pricing among all participating
15 insurers.

16 (e) Provision of information.--Participating insurers shall
17 provide the department, at its request, with information
18 sufficient to enable it to discharge its responsibilities under
19 subsection (d).

20 Section 6. Records and reporting.

21 A participating insurer shall provide an annual report to the
22 department in a form prescribed by the department enumerating:

23 (1) The number of individuals covered under standard
24 health benefit plans, including coverage provided both
25 directly to individuals and through employers.

26 (2) The number of persons receiving coverage both under
27 LifeLine health benefit plans and through high deductible
28 health plans.

29 Section 7. Petition for exception.

30 (a) General rule.--An insurer may, after the third

1 anniversary of its qualification as a participating insurer,
2 petition the commissioner to be relieved of the obligation to
3 offer LifeLine health plans under this act.

4 (b) Findings by commissioner.--The commissioner may grant
5 the petition if the commissioner finds that:

6 (1) The petitioner has used its commercially reasonable
7 best efforts to market and issue the coverage.

8 (2) Continuation of the efforts would not provide
9 LifeLine health plan coverage to a sufficient number of
10 individuals to justify continued efforts to market and issue
11 the coverage.

12 (c) Arrangements.--The commissioner shall, as a condition
13 for approving a petition described under subsection (a), require
14 that arrangements be made for the orderly disposition of
15 outstanding coverage.

16 Section 8. Effective date.

17 This act shall take effect in 60 days.