THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1965 Session of 2011

INTRODUCED BY DeLUCA, D. COSTA, KOTIK, BOYD, DEASY, CALTAGIRONE, DALEY, FRANKEL, GIBBONS, HORNAMAN, MAHONEY, MUNDY, M. O'BRIEN, READSHAW, THOMAS AND YOUNGBLOOD, NOVEMBER 9, 2011

REFERRED TO COMMITTEE ON INSURANCE, NOVEMBER 9, 2011

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2   Statutes, providing for nondiscrimination by payers in health
3   care benefit plans.

4   The General Assembly of the Commonwealth of Pennsylvania

5 hereby enacts as follows:

6   Section 1. Part III of Title 40 of the Pennsylvania

7 Consolidated Statutes is amended by adding an article to read:

8   ARTICLE M

9   MISCELLANEOUS PROVISIONS

10 Chapter

11   91. Nondiscrimination by Payers in Health Care Benefit Plans

12   CHAPTER 91

13   NONDISCRIMINATION BY PAYERS

14   IN HEALTH CARE BENEFIT PLANS

15 Sec.

16 9101. Definitions.

17 9102. Discrimination against willing providers prohibited.

18 9103. Construction and application of chapter.

1 § 9101. Definitions.

2   The following words and phrases when used in this chapter

3 shall have the meanings given to them in this section unless the

4 context clearly indicates otherwise:

5   "Health care benefit plan." An insurance policy, contract or

6 plan that provides health care to participants or beneficiaries

7 directly or through insurance, reimbursement or otherwise.

8   "Health care payer." An individual or entity that is

9 responsible for providing or paying for all or part of the cost

10 of health care services covered by a health care benefit plan.

11 The term includes, but is not limited to, an entity subject to:

12   (1) Chapter 61 (relating to hospital plan corporations)

13   or 63 (relating to professional health services plan

14   corporations);

15   (2) the act of May 17, 1921 (P.L.682, No.284), known as

16   The Insurance Company Law of 1921, including:

17   (i) a preferred provider organization subject to

18   section 630 of The Insurance Company Law of 1921; or

19   (ii) a fraternal benefit society subject to Article

20   XXIV of The Insurance Company Law of 1921;

21   (3) the act of December 29, 1972 (P.L.1701, No.364),

22   known as the Health Maintenance Organization Act;

23   (4) an agreement by a self-insured employer or self-

24   insured multiple employer trust to provide health care

25   benefits to employees and their dependents.

26 § 9102. Discrimination against willing providers prohibited.

27   A health care payer shall be required to contract with and to

28 accept as a health care benefit plan participant any willing

29 provider of health care services. A health care payer shall not

30 discriminate against a provider of health care services who:

1   (1) agrees to accept the health care payer's standard

2 payment levels; and

3   (2) meets and agrees to adhere to quality standards

4 established by the health care payer.

5 § 9103. Construction and application of chapter.

6   (a) Construction.--This chapter shall not be construed to

7 prohibit a health care payer from negotiating and paying rates

8 higher than the health care payer's standard payment levels to

9 one or more providers.

10   (b) Application.--This chapter shall:

11   (1) apply to all health care benefit plans that

12 compensate providers on a fee-for-service basis, per diem or

13 other nonrisk basis; and

14   (2) not apply to health care benefit plans regarding

15 products that compensate providers on a capitated basis or

16 under which providers accept significant financial risk in a

17 formal arrangement approved by Federal or State authorities.

18   Section 2. The provisions of this act are severable. If any

19 provision of this act or its application to any person or

20 circumstance is held invalid, the invalidity shall not affect

21 other provisions or applications of this act which can be given

22 effect without the invalid provision or application.

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