

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 947 Session of 2021

INTRODUCED BY ZIMMERMAN, MILLARD, JAMES, JOZWIAK, GLEIM, MOUL, DRISCOLL, KEEFER, R. BROWN, FREEMAN, BURGOS, RADER, GAYDOS, JONES AND IRVIN, MARCH 17, 2021

REFERRED TO COMMITTEE ON INSURANCE, MARCH 17, 2021

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
 2 act relating to insurance; amending, revising, and
 3 consolidating the law providing for the incorporation of
 4 insurance companies, and the regulation, supervision, and
 5 protection of home and foreign insurance companies, Lloyds
 6 associations, reciprocal and inter-insurance exchanges, and
 7 fire insurance rating bureaus, and the regulation and
 8 supervision of insurance carried by such companies,
 9 associations, and exchanges, including insurance carried by
 10 the State Workmen's Insurance Fund; providing penalties; and
 11 repealing existing laws," in casualty insurance, providing
 12 for furnishing claims experience to policyholders.

13 The General Assembly of the Commonwealth of Pennsylvania
 14 hereby enacts as follows:

15 Section 1. The act of May 17, 1921 (P.L.682, No.284), known
 16 as The Insurance Company Law of 1921, is amended by adding a
 17 section to read:

18 Section 621.6. Furnishing Claims Experience to
 19 Policyholders.--(a) Subject to the other provisions of this
 20 section, each insurer shall furnish, regardless of the rating
 21 methodology used, claims experience to group policyholders
 22 within thirty days of a policyholder's request unless the

1 information has been furnished to the group policyholder within
2 the preceding six months.

3 (b) Claims experience shall be furnished for all groups of
4 fifty-one or more covered employes, members or enrollees, not
5 including dependents.

6 (c) Claims experience shall include the following:

7 (1) Earned premiums separated by policy year for at least
8 the last two policy years, if applicable.

9 (2) Total paid claims and total incurred claims, inclusive
10 of any high amount or pooled claims, including both capitated
11 and noncapitated expenses specified in the same manner as
12 premiums.

13 (3) Any amounts in excess of the individual pooling or stop-
14 loss point applicable to the group.

15 (d) An insurer that utilizes provider contracting methods,
16 including financial devices such as global fee arrangements, to
17 cover all medical expenses may apply to the commissioner for
18 approval of the use of an alternative form of claims experience
19 reporting. The following shall apply:

20 (1) The insurer shall provide Commonwealth experience on a
21 group-specific basis or on another reasonable basis as the
22 commissioner may approve for the insurer, in advance, based upon
23 a submission of an explanation and supporting documentation.

24 (2) An insurer that received approval for an alternative
25 form of group claims experience reporting to policyholders shall
26 be required to seek the commissioner's advance approval of a
27 proposed response letter to group policyholders who request
28 experience reporting. The letter shall describe the insurer's
29 reasons for seeking an alternative reporting process and
30 describe the alternative form of reporting approved by the

1 commissioner.

2 (e) An insurer may charge a reasonable fee for providing the
3 information under this section to group policyholders. The
4 schedule or amount of fees to be charged to group policyholders
5 for providing the information shall be filed by each insurer
6 with the commissioner.

7 (f) In providing claims experience to group policyholders
8 under this section, an insurer shall adhere to all Federal and
9 State laws regarding disclosure of protected health or personal
10 information.

11 (g) As used in this section:

12 "Commissioner" means the Insurance Commissioner of the
13 Commonwealth.

14 "Insurer" means an entity licensed by the Insurance
15 Department with accident and health authority to issue a policy,
16 subscriber contract, certificate or plan that provides medical
17 or health care coverage, including emergency services, and is
18 offered or governed under any of the following:

19 (1) This act, including section 630 and Article XXIV.

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

22 (3) 40 Pa.C.S. Ch. 61 (relating to hospital plan
23 corporations) or 63 (relating to professional health services
24 plan corporations).

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