

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2538 Session of
2000

INTRODUCED BY GLADECK, BARRAR, BELARDI, BENNINGHOFF, BUNT,
CASORIO, CLARK, CLYMER, M. COHEN, CURRY, DAILEY, GEIST,
GEORGE, HENNESSEY, HORSEY, KENNEY, LAUGHLIN, R. MILLER,
MYERS, ORIE, RAMOS, READSHAW, ROBERTS, SEYFERT, SHANER,
STABACK, E. Z. TAYLOR, THOMAS, TRICH, VEON, WATERS, WILLIAMS,
WRIGHT, YOUNGBLOOD AND YUDICHAK, MAY 10, 2000

REFERRED TO COMMITTEE ON INSURANCE, MAY 10, 2000

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," providing for reimbursement for
12 brand name prescription drugs.

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 635.2. Reimbursement for Brand Name Prescription
19 Drugs.--(a) As used in this section, the term "health insurance
20 policy" means any group health, sickness or accident policy or
21 subscriber contract or certificate and any other form of

managed/capitated care plan or policy, including a capitated Medicare policy and a Medicare supplemental policy, which is issued by an entity subject to one (1) of the following:

(1) This act.

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

(3) The act of December 14, 1992 (P.L.835, No.134), known as the "Fraternal Benefit Societies Code."

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

The term shall not include the following policies: accident only, fixed indemnity, limited benefit, credit, dental, vision, specified disease, CHAMPUS (Civilian Health and Medical Program for the Uniformed Services) supplement, long-term care, disability income, workers' compensation or automobile medical payment.

(b) A health insurance policy which provides coverage for prescription drugs shall provide coverage for brand name prescription drugs when the prescribing physician determines that it is medically necessary in order to sustain or improve the health or condition of the patient.

(c) Coverage required under this section shall be subject to annual deductibles and coinsurance requirements imposed by an entity subject to this section for similar coverages under the same health insurance policy.

Section 2. The addition of section 635.2 of the act shall apply to any "health insurance policy," as defined in section 635.2(a) of the act, offered, issued or renewed on or after the effective date of this act.

1 Section 3. This act shall take effect in 90 days.