

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2175 Session of  
1991

INTRODUCED BY MUNDY, McCALL, DeLUCA, JOHNSON, BILLOW, LLOYD,  
BELARDI, KOSINSKI, BLAUM, TRELLO, TIGUE, STETLER, ROBINSON,  
FAJT, CAPPABIANCA, JOSEPHS, STISH, McNALLY, ANGSTADT, BISHOP,  
STABACK, MIHALICH, McHALE, CARONE, SURRA, J. TAYLOR, HASAY,  
TRICH AND FREEMAN, NOVEMBER 13, 1991

REFERRED TO COMMITTEE ON INSURANCE, NOVEMBER 13, 1991

AN ACT

1 Amending the act of December 29, 1972 (P.L.1701, No.364),  
2 entitled "An act providing for the establishment of nonprofit  
3 corporations having the purpose of establishing, maintaining  
4 and operating a health service plan; providing for  
5 supervision and certain regulations by the Insurance  
6 Department and the Department of Health; giving the Insurance  
7 Commissioner and the Secretary of Health certain powers and  
8 duties; exempting the nonprofit corporations from certain  
9 taxes and providing penalties," providing for certain  
10 limitations on rate filings.

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

13 Section 1. Section 10(c) of the act of December 29, 1972  
14 (P.L.1701, No.364), known as the Health Maintenance Organization  
15 Act, amended December 19, 1980 (P.L.1300, No.234), is amended to  
16 read:

17 Section 10. Supervision.--\* \* \*

18 (c) (1) All rates charged subscribers or groups of  
19 subscribers by a health maintenance organization and the form  
20 and content of all contracts between a health maintenance

1 organization and its subscribers or groups of subscribers, all  
2 rates of payment to hospitals made by a health maintenance  
3 organization pursuant to contracts provided for in this act,  
4 budgeted acquisition costs in connection with the solicitation  
5 of subscribers, and the certificates issued by a health  
6 maintenance organization representing its agreements with  
7 subscribers shall, at all times, be on file with the  
8 commissioner and be deemed approved unless explicitly rejected  
9 within sixty days of filing. Filings shall be made to the  
10 commissioner in such form, and shall set forth such information  
11 as the commissioner may require to carry out the provisions of  
12 this act. Any disapproval of a filing by the commissioner may be  
13 appealed in accordance with Title 2 of the Pennsylvania  
14 Consolidated Statutes (relating to administrative law and  
15 procedure).

16 (2) No filing under this subsection for an increase in  
17 subscriber rates shall be made by any health maintenance  
18 organization within twelve months from the date of approval of a  
19 previous rate filing made by that organization for the same  
20 health service.

21 \* \* \*

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