

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1026

Session of  
1995

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INTRODUCED BY MICOZZIE, WAUGH, FICHTER, DEMPSEY, CLARK, SATHER, GIGLIOTTI, TRELLO, GODSHALL, TIGUE, FARGO, HERMAN, HENNESSEY, GANNON, BARD, GRUPPO, MELIO, BATTISTO, L. I. COHEN, RAYMOND, SCHRODER, E. Z. TAYLOR, FLEAGLE, HUTCHINSON, ROHRER, O'BRIEN, LEH, M. N. WRIGHT, KENNEY, STERN, RUBLEY, TANGRETTI, CARN, FLICK, MILLER, ADOLPH, ARMSTRONG, SAYLOR, J. TAYLOR, TRICH, CIVERA, MERRY, SEMMEL, OLASZ, STURLA, STEELMAN, BELFANTI AND DURHAM, MARCH 6, 1995

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AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
MAY 13, 1996

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## AN ACT

1 Providing for continuity of health insurance benefits in certain  
2 situations.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Health Care  
7 Insurance Continuity Act.

8 Section 2. Statement of purpose.

9 The General Assembly finds and declares as follows:

10 (1) This Commonwealth is a leader in the country in  
11 regard to health care insurance coverage for its residents.

12 (2) This Commonwealth's free market approach has been  
13 successful in providing health insurance to 90% of its  
14 population.

1           (3) Uninsured statistics are sporadic as people are  
2 moving in and out of coverage.

3           (4) Eliminating preexisting condition exclusions when a  
4 person changes insurance coverage and prohibiting  
5 cancellation of a policy for any health reason will provide  
6 security and peace of mind to Commonwealth citizens and  
7 reduce the number of uninsured.

### 8 Section 3. Definitions.

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

12       "Genetic test." A laboratory test of human DNA or  
13 chromosomes used to identify the presence or absence of  
14 inherited alterations in genetic material which are associated  
15 with disease or illness, including carrier status and a direct  
16 measure of those alterations. The term does not include a test  
17 of indirect manifestations of the alterations.

18       "Group health contract." A health insurance agreement issued  
19 by an insurer to cover employees of an employer or a trust fund  
20 established to cover employees of one or more employers and an  
21 association of employees. The term does not include accident-  
22 only, fixed indemnity, limited benefit, credit, dental, vision,  
23 group long-term care, group disability, Medicare supplement,  
24 Civilian Health and Medical Program of the Uniformed Services  
25 supplement insurance, workers' compensation or similar  
26 insurance, or automobile medical-payment insurance.

27       "Health insurance agreement." An accident and health  
28 insurance policy, contract or group insurance certificate issued  
29 by an insurer on an individual or group basis.

30       "Insurer." Any insurance company, association or reciprocal,

1 nonprofit hospital plan corporation; nonprofit professional  
2 health service plan; health maintenance organization organized  
3 and regulated under the act of December 29, 1972 (P.L.1701,  
4 No.364), known as the Health Maintenance Organization Act; risk-  
5 assuming preferred provider organization organized and regulated  
6 under the act of May 17, 1921 (P.L.682, No.284), known as The  
7 Insurance Company Law of 1921; preferred provider with a "health  
8 management gatekeeper" role for primary care physicians  
9 organized and regulated as a health services corporation or a  
10 preferred provider organization subject to the provisions of  
11 section 630 of The Insurance Company Law of 1921; fraternal  
12 benefit society subject to the provisions of the act of December  
13 14, 1992 (P.L.835, No.134), known as the Fraternal Benefit  
14 Societies Code.

15 Section 4. Continuity of coverage.

16 (a) Applicability.--This section shall apply to group health  
17 contracts issued or renewed by insurers on or after the  
18 effective date of this act.

19 (b) Persons protected by this section.--The protections of  
20 this section shall apply to any person who seeks coverage under  
21 or enrollment in a group health contract if all of the following  
22 apply:

23 (1) The person was covered under a prior health  
24 insurance agreement or was covered under a governmental  
25 health financing program such as medical assistance or  
26 Medicare for at least 90 days before discontinuance or  
27 termination of the prior health insurance agreement. Under  
28 this paragraph, a dependent of an employee is covered if the  
29 employee and the dependent were covered under the prior  
30 health insurance agreement.

1           (2) The coverage under the prior health insurance  
2           agreement or governmental program terminated not more than  
3           three months before the person enrolled or was eligible to  
4           enroll in the succeeding group health contract. A period of  
5           ineligibility for any health insurance agreement imposed by  
6           terms of employment may not be considered in determining  
7           whether the coverage ended within three months of the date  
8           the person enrolled or was eligible to enroll in the group  
9           health contract.

10          (c) Protections.--An insurer may not do any of the  
11          following:

12           (1) Decline to enroll a person protected by subsection  
13           (b) in a group health contract based on health status or  
14           history or the results of a genetic test if the person is  
15           otherwise eligible to be enrolled.

16           (2) REQUIRE OR REQUEST DIRECTLY OR INDIRECTLY ANY           <—  
17           INDIVIDUAL OR A MEMBER OF THE INDIVIDUAL'S FAMILY TO OBTAIN A  
18           GENETIC TEST.

19           (3) REQUIRE OR REQUEST DIRECTLY OR INDIRECTLY ANY  
20           INDIVIDUAL TO REVEAL WHETHER THE INDIVIDUAL OR A MEMBER OF  
21           THE INDIVIDUAL'S FAMILY HAS OBTAINED A GENETIC TEST.

22           (4) CONDITION THE ISSUANCE OR RENEWAL OF A HEALTH  
23           INSURANCE AGREEMENT OR HEALTH CARE BENEFITS ON WHETHER AN  
24           INDIVIDUAL OR A MEMBER OF THE INDIVIDUAL'S FAMILY HAS  
25           OBTAINED A GENETIC TEST.

26           (5) CONSIDER IN THE DETERMINATION OF RATES OR RISK  
27           CLASSIFICATION WHETHER AN INDIVIDUAL OR A MEMBER OF THE  
28           INDIVIDUAL'S FAMILY HAS OBTAINED A GENETIC TEST OR, IF  
29           OBTAINED BY THE INDIVIDUAL OR A MEMBER OF THE INDIVIDUAL'S  
30           FAMILY, THE RESULTS OF THE TEST.

1           (6) DECLINE TO ENROLL A PERSON IN A HEALTH INSURANCE  
2       AGREEMENT BASED ON THE RESULTS OF A GENETIC TEST IF A PERSON  
3       IS OTHERWISE ELIGIBLE TO BE ENROLLED.

4       ~~(2)~~ (7) Impose a preexisting condition exclusion period     <—  
5       or waiting period for any condition except to the extent that  
6       there is a preexisting condition exclusion period or waiting  
7       period from the prior health insurance agreement that remains  
8       unexpired. In this event, the insurer shall credit the time  
9       the person was covered under the previous health insurance  
10      agreement, exclusive of any applicable waiting period under  
11      that agreement.

12      (d) Determination of waiting period.--If a determination of  
13      the existence of a preexisting condition exclusion period or  
14      waiting period under the prior health insurance agreement is  
15      required for the insurer issuing or entering into a succeeding  
16      group health contract to comply with this section, the issuer of  
17      the prior health insurance agreement shall at the request of the  
18      issuer of the succeeding group health contract furnish a  
19      statement as to the existence and terms of any preexisting  
20      condition exclusion period or waiting period under the prior  
21      health insurance agreement.

22      (e) Limited liability after discontinuance.--The insurer  
23      that issued the prior health insurance agreement is liable after  
24      discontinuance of that health insurance agreement only to the  
25      extent of its accrued liabilities and extension of benefits.

26      (f) Duplication.--Nothing in this section shall be construed  
27      as requiring an employer or insurer issuing or entering into a  
28      succeeding group health contract to provide the same or similar  
29      type or extent of coverage as the prior health insurance  
30      agreement. Nothing in this section shall require an employer to

1 provide any health insurance to employees.

2 Section 5. Applicability.

3 This act shall apply to all insurance policies, subscriber  
4 contracts and group insurance certificates issued under any  
5 group master policy delivered or issued for delivery on or after  
6 the effective date of this act. This act shall also apply to all  
7 renewals of contracts on any renewal date which is on or after  
8 the effective date of this act.

9 Section 6. Effective date.

10 This act shall take effect in 180 days.