

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 287 Session of
2001

INTRODUCED BY BLAUM, DeWEESE, M. COHEN, BELARDI, YOUNGBLOOD,
HALUSKA, CRUZ, TIGUE, FREEMAN, SURRA, STABACK, HORSEY, MUNDY
AND SHANER, JANUARY 30, 2001

REFERRED TO COMMITTEE ON INSURANCE, JANUARY 30, 2001

AN ACT

1 Amending the act of May 18, 1976 (P.L.123, No.54), entitled "An
2 act to provide reasonable standardization and simplification
3 of terms and coverages of individual accident and health
4 insurance policies and subscriber contracts of health plan
5 corporations, nonprofit health service plans and certificates
6 issued by fraternal benefit societies to facilitate public
7 understanding and comparison, to eliminate provisions
8 contained in individual accident and health insurance
9 policies and subscriber contracts of health plan corporations
10 and nonprofit health service plans and certificates issued by
11 fraternal benefit societies which may be misleading or
12 unreasonably confusing in connection either with the purchase
13 of such coverages or with the settlement of claims, and to
14 provide for full disclosure in the sale of accident and
15 health coverages," further providing for minimum standards
16 for benefits.

17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 Section 1. Section 4 of the act of May 18, 1976 (P.L.123,
20 No.54), known as the Individual Accident and Sickness Insurance
21 Minimum Standards Act, is amended to read:

22 Section 4. Minimum Standards for Benefits.--(a) The
23 Insurance Commissioner shall issue regulations to establish
24 minimum standards for benefits under each of the following

1 categories of coverage in individual policies of accident and
2 health insurance and subscriber contracts of health plan
3 corporations and nonprofit health service plans and certificates
4 issued by fraternal benefit societies:

- 5 (1) basic hospital expense coverage;
- 6 (2) basic medical-surgical expense coverage;
- 7 (3) hospital confinement indemnity coverage;
- 8 (4) major medical expense coverage;
- 9 (5) disability income protection coverage;
- 10 (6) accident only coverage;
- 11 (7) specified disease or specified accident coverage; and
- 12 (8) supplemental coverage shall be permitted for all
13 preceding categories of coverages with the exception of
14 paragraph (7).

15 (b) Nothing in this section shall preclude the issuance of
16 any policy or contract which combines two or more of the
17 categories of coverage enumerated in paragraphs (1) through (7)
18 of subsection (a).

19 (c) No policy or contract shall be delivered or issued for
20 delivery in this State which does not meet the prescribed
21 minimum standards for those categories of coverage listed in
22 paragraphs (1) through (8) of subsection (a) which are contained
23 within the policy or contract unless the Insurance Commissioner
24 finds that such policy or contract will not be unjust, unfair or
25 unfairly discriminatory to the policyholder, subscriber, any
26 person insured under the policy, or beneficiary. Changes to a
27 policy or contract required by regulations promulgated pursuant
28 to this act, including changes to premium rates applicable
29 thereto, shall be permitted by endorsement or rider unless the
30 commissioner shall determine that such change or changes

1 substantially alters the policy or contract.

2 (d) Notwithstanding any other provision of this act or
3 regulations promulgated hereunder, any policy or contract
4 submitted for approval which does not meet the prescribed
5 minimum standards for those categories of coverage listed in
6 paragraphs (1) through (8) of subsection (a) which are contained
7 within the policy or contract may be approved if, in the opinion
8 of the Insurance Commissioner, such policy or contract is not
9 unjust, unfair, or unfairly discriminatory to the policyholder,
10 subscriber, any person insured under the policy or beneficiary.

11 (e) The Insurance Commissioner shall issue regulations
12 prescribing the method of identification of policies and
13 contracts based upon coverages provided.

14 (f) (1) Every policy of accident and health insurance
15 providing coverage to a resident of this Commonwealth including
16 benefits provided for by the provisions of the act of December
17 2, 1992 (P.L.741, No.113), known as the "Children's Health Care
18 Act," shall cover general anesthesia and hospital charges for
19 dental care provided to a covered person who:

20 (i) is under nine years of age;

21 (ii) has a medical condition or disability that necessitates
22 hospitalization or general anesthesia for dental care treatment;
23 or

24 (iii) chooses to undergo a dental procedure requiring
25 general anesthesia in a hospital setting.

26 (2) A health carrier may require prior authorization of
27 hospitalization for dental care procedures in the same manner
28 that prior authorization is required for hospitalization for
29 other covered diseases or conditions.

30 (3) A policy of accident and health insurance providing

1 coverage to a resident of this Commonwealth must also provide
2 coverage for general anesthesia and treatment rendered by a
3 dentist for a medical condition covered under that health plan,
4 regardless of whether the services are provided in a hospital or
5 a dental office.

6 Section 2. The addition of section 4(f) of the act shall
7 apply to insurance policies issued or renewed on or after the
8 effective date of this act.

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