

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1194 Session of
2007

INTRODUCED BY FOLMER, EICHELBERGER AND PICCOLA, DECEMBER 3, 2007

REFERRED TO BANKING AND INSURANCE, DECEMBER 3, 2007

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 provisions relating to
12 children's health care, further providing for the children's
13 health care program and for State plan.

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

16 Section 1. Section 2311(c)(1.1), (e.1), (e.2), (e.3), (e.4),
17 (f.1), (f.2), (l)(6.1) and (o) of the act of May 17, 1921
18 (P.L.682, No.284), known as The Insurance Company Law of 1921,
19 amended or added November 2, 2006 (P.L.1314, No.136), are
20 amended and the section is amended by adding a subsection to
21 read:

22 Section 2311. Children's Health Care.--* * *

23 (c) * * *

(1.1) Beginning January 1, 2007, and subject to the provisions of section 2314, any insurer receiving funds from the department to provide coverage of health care services under this section shall enroll, to the extent that funds are available, any child who meets all of the following:

(i) Is a resident of this Commonwealth.

(ii) Is not covered by a health insurance plan, a self-insurance plan or a self-funded plan, or is not provided access to health care coverage by court order, or is not eligible for or covered by a medical assistance program administered by the Department of Public Welfare, including the Healthy Beginnings Program.

(iii) Is qualified based on income under subsection (d)[, (e.1), (e.2), (e.3) or (e.4) and meets the uninsured period requirements as provided in subsection (f.1)].

(iv) Meets the citizenship requirements of Title XXI of the Social Security Act.

* * *

[(e.1) The provision of health care insurance for an eligible child whose family income is greater than two hundred per centum (200%) of the Federal poverty level but no greater than two hundred fifty per centum (250%) of the Federal poverty level may be subsidized by the fund at a rate not to exceed seventy-five per centum (75%) of the per member per month premium cost.

(e.2) The provision of health care insurance for an eligible child whose family income is greater than two hundred fifty per centum (250%) of the Federal poverty level but no greater than two hundred seventy-five per centum (275%) of the Federal poverty level may be subsidized by the fund at a rate not to

1 exceed sixty-five per centum (65%) of the per member per month
2 premium cost.

3 (e.3) The provision of health care insurance for an eligible
4 child whose family income is greater than two hundred seventy-
5 five per centum (275%) of the Federal poverty level but no
6 greater than three hundred per centum (300%) of the Federal
7 poverty level may be subsidized by the fund at a rate not to
8 exceed sixty per centum (60%) of the per member per month
9 premium cost.

10 (e.4) The following apply:

11 (1) For an eligible child whose family income is greater
12 than the maximum level established under subsection (o), the
13 family may purchase the minimum benefit package set forth in
14 subsection (1)(6) for that child at the per month per member
15 premium cost, which cost shall be derived separately from the
16 other eligibility categories in the program, as long as the
17 family demonstrates on an annual basis and in a manner
18 determined by the department either one of the following:

19 (i) The family is unable to afford individual or group
20 coverage because that coverage would exceed ten per centum (10%)
21 of the family income or because the total cost of coverage for
22 the child is one hundred fifty per centum (150%) of the greater
23 of:

24 (A) the premium cost established under this subsection for
25 that service area; or

26 (B) the premium cost established under the program for that
27 service area.

28 (ii) The family has been refused coverage by an insurer due
29 to the child or a member of that child's immediate family having
30 a preexisting condition and coverage is not available to the

1 child.

2 (2) For purposes of this subsection, "coverage" shall not
3 include coverage offered through accident only, fixed indemnity,
4 limited benefit, credit, dental, vision, specified disease,
5 Medicare supplement, Civilian Health and Medical Program of the
6 Uniformed Services (CHAMPUS) supplement, long-term care or
7 disability income, workers' compensation or automobile medical
8 payment insurance.]

9 (f) The family of an eligible child whose family income
10 makes the child eligible for free care but who cannot receive
11 care due to lack of funds in the fund may purchase coverage for
12 the child at cost.

13 [(f.1) To be eligible for coverage under subsections (e.1),
14 (e.2), (e.3) and (e.4), a child over two (2) years of age must
15 have been uninsured for the uninsured period unless:

16 (1) the child's parent is eligible to receive benefits
17 pursuant to the act of December 5, 1936 (2nd Sp.Sess., 1937
18 P.L.2897, No.1), known as the "Unemployment Compensation Law";

19 (2) the child's parent was covered by a health insurance
20 plan, a self-insurance plan or a self-funded plan but, at the
21 time of application for coverage, is no longer employed and is
22 ineligible to receive benefits under the "Unemployment
23 Compensation Law"; or

24 (3) a child is transferring from one government-subsidized
25 health care program to another.

26 (f.2) For enrollees under subsections (e.1), (e.2), (e.3)
27 and (e.4), the following apply:

28 (1) The department shall have the authority to impose
29 copayments for the following services, except as otherwise
30 prohibited by law:

1 (i) Outpatient visits.

2 (ii) Emergency room visits.

3 (iii) Prescription medications.

4 (iv) Any other service defined by the department.

5 (2) The department shall have the authority to establish and
6 adjust the levels of these copayments in order to impose
7 reasonable cost sharing and to encourage appropriate utilization
8 of these services. In no event shall the premiums and copayments
9 for enrollees under subsections (e.1), (e.2) and (e.3) amount to
10 more than the per centum of total household income which is in
11 accord with the requirements of the Centers for Medicare and
12 Medicaid Services.]

13 * * *

14 (1) A contractor with whom the department enters into a
15 contract shall do the following:

16 * * *

17 (6.1) The department shall implement a premium assistance
18 program permitted under Federal regulations and as permitted
19 through Federal waiver or State plan amendment made pursuant to
20 this article. Notwithstanding any other law to the contrary, in
21 the event it is more cost effective to purchase health care from
22 a parent's employer-based program and the employer-based program
23 meets the minimum coverage requirements, employer-based coverage
24 may be purchased in place of enrollment in the health insurance
25 program established under this subdivision. An insurer shall
26 honor a request for enrollment and purchase of employee group
27 health insurance requested on behalf of an individual applying
28 for coverage under this article if that individual:

29 (i) is a resident of this Commonwealth;

30 (ii) is qualified based on income under section 2311(d)[,

1 (e.1), (e.2) or (e.3)] or (e);

2 (iii) meets the uninsured period, except that any delay due
3 to an enrollment restriction, which may not exceed ninety (90)
4 days, or due to the length of the department's cost
5 effectiveness determination shall be counted towards calculating
6 the uninsured period; and

7 (iv) meets the citizenship requirements of section
8 2311(c)(1.1)(iv).

9 * * *

10 [(o) Notwithstanding subsection (n), beginning January 1,
11 2007, and thereafter, and subject to the provisions of section
12 2314, the maximum income ceiling for subsidized insurance shall
13 not be raised above three hundred per centum (300%) of the
14 Federal poverty level.]

15 Section 2. Section 2314 of the act, added November 2, 2006
16 (P.L.1314, No.136), is amended to read:

17 Section 2314. State Plan.--The department, in cooperation
18 with the Department of Public Welfare, shall amend the State
19 plan as deemed necessary to carry out the provisions of this
20 article. [The repeal of section 2311(e) and (f) and the
21 expansion of financial eligibility under section 2311(e.1),
22 (e.2) and (e.3) shall be contingent upon Federal approval.]

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