

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1641 Session of
2011

INTRODUCED BY PASHINSKI, BISHOP, BRIGGS, CALTAGIRONE, CARROLL,
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KULA, MAHONEY, MIRABITO, MURPHY, M. O'BRIEN, SANTONI,
STABACK, TAYLOR, WATERS AND YOUNGBLOOD, JUNE 8, 2011

REFERRED TO COMMITTEE ON INSURANCE, JUNE 8, 2011

AN ACT

1 Providing for Health Care Insurance Certificate Program;
2 imposing duties on the Insurance Department; establishing the
3 Health Care Insurance Certificate Program Fund; providing for
4 administration of fund; and making a related repeal.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Health Care
9 Insurance Certificate Program Act.

10 Section 2. Definitions.

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

14 "Department." The Insurance Department of the Commonwealth.

15 "Eligible adult." A low-income adult who meets all of the
16 following:

17 (1) Legally resides within the United States.

1 (2) Has been domiciled in this Commonwealth for at least
2 90 days prior to enrollment.

3 (3) Is not covered by a health insurance plan, a self-
4 insurance plan or a self-funded plan.

5 (4) Has not been covered by a health insurance plan, a
6 self-insurance plan or a self-funded plan during the three
7 months immediately preceding the determination of eligibility
8 except when one of the following apply:

9 (i) The low-income adult is eligible to receive
10 benefits under the act of December 5, 1936 (2nd Sp.Sess.,
11 1937 P.L.2897, No.1), known as the Unemployment
12 Compensation Law.

13 (ii) The low-income adult was covered under one of
14 the above plans but at the time of application for
15 coverage is no longer employed and is ineligible to
16 receive benefits pursuant to the Unemployment
17 Compensation Law.

18 (iii) The low-income adult is the spouse of a person
19 who meets either of the exceptions set forth in
20 subparagraph (i) or (ii) and both the eligible adult and
21 the spouse are low income and applying for coverage.

22 (5) Is ineligible for medical assistance or Medicare.

23 "Fund." The Health Care Insurance Certificate Program Fund
24 established in section 4.

25 "Insurer." A company or health insurance entity licensed in
26 this Commonwealth to issue an individual or group health,
27 sickness or accident policy or subscriber contract or
28 certificate or plan that provides medical or health care
29 coverage by a health care facility or licensed health care
30 provider that is offered or governed under 40 Pa.C.S. Ch. 61

(relating to hospital plan corporations) or 63 (relating to professional health services plan corporations).

"Program." The Health Care Insurance Certificate Program established in section 3.

Section 3. Health Care Insurance Certificate Program.

(a) Program establishment.--There is established in the department the Health Care Insurance Certificate Program for the purpose of assisting eligible adults in locating and paying for health insurance. Fund appropriations to the department for the program shall be used for contracts to provide insurance certificates for eligible adults and outreach activities. The department shall, to the greatest extent practicable, ensure that all eligible adults in this Commonwealth have access to the program established in this section.

(b) Eligible adult responsibilities.--An eligible adult seeking to participate in the program shall:

(1) Submit an application to the department.

(2) Pay the appropriate premium charged by an insurer for the benefits package.

(3) Be responsible for any required copayments for health care services rendered under the benefit package in subsection (g)(2).

(4) Notify the department and the insurer of a change in the eligible adult's income.

(c) Financial assistance generally.--The department shall carry out the program to provide eligible adults with financial assistance in the purchase of their benefit packages. The department shall issue to eligible adults a certificate not to exceed \$500 that shall be used for the purchase of the eligible adult's health insurance.

1 (d) Purchase of insurance.--An eligible adult's certificate
2 shall be used to purchase the benefit package and shall be
3 received in a timely manner. The appropriations for the program
4 shall be used by the department to pay the difference between
5 the premium cost of the benefit package and the eligible adult's
6 payment. Subsidization of the benefit package is contingent upon
7 the amount of the appropriations to the program and limited to
8 eligible adults in compliance with subsection (b). Nothing under
9 this section shall constitute an entitlement derived from the
10 Commonwealth or a claim on any funds of the Commonwealth.

11 (e) Potential waiting list.--The department shall maintain a
12 waiting list of eligible adults who have applied for the program
13 but who are not eligible due to insufficient revenues. An
14 eligible adult on the waiting list may purchase the benefit
15 package at the premium rates approved by the department.

16 (f) Department responsibilities.--The department shall:

17 (1) Administer the program on a Statewide basis.

18 (2) Develop and make available to the public an
19 application form that eligible adults can use to apply for
20 participation in the program.

21 (3) Conduct monitoring, oversight and audits of the
22 program for enforcement purposes.

23 (4) Ensure that the eligibility of enrolled individuals
24 receiving subsidization of the benefit package is
25 redetermined on an annual basis.

26 (5) In consultation with appropriate Commonwealth
27 agencies, monitor, review and evaluate the insurer's benefit
28 package for the adequacy, accessibility and availability of
29 the services required under subsection (g).

30 (6) In consultation with appropriate Commonwealth

1 agencies, establish and coordinate the development,
2 implementation and supervision of an outreach plan.

3 (7) Prepare and submit, by November 30, 2013, and
4 annually thereafter a report to the chair and minority chair
5 of the Banking and Insurance Committee of the Senate and to
6 the chair and minority chair of the Insurance Committee of
7 the House of Representatives regarding:

8 (i) The number of eligible adults participating in
9 the program, with a geographic distribution.

10 (ii) The insurers participating in the program.

11 (iii) The scope of the services being provided and
12 the level of outreach.

13 (iv) The cost of the insurance.

14 (v) The amount an eligible adult contributes toward
15 the insurance, including any copayments and adjustments
16 due to the Consumer Price Index adjustment factor under
17 subsection (b) (2).

18 The annual report shall be made available for public
19 inspection and posted on the department's publicly accessible
20 Internet website.

21 (g) Benefit package.--Insurers shall make available for
22 purchase a benefit package with scope and duration determined by
23 the department that, at a minimum, includes coverage for:

24 (1) Chemotherapy.

25 (2) Initial accident or medical emergency care.

26 (3) Inpatient hospital room and board and ancillary
27 services 21 days per calendar year.

28 (4) Maternity and newborn care.

29 (5) Oral surgery.

30 (6) Outpatient diagnostic services in a hospital

1 setting.

2 (7) Radiation therapy.

3 (8) Surgical services.

4 (9) Adult and pediatric examinations.

5 (10) Adult and pediatric immunizations.

6 (11) Gynecological examination and Pap test once per
7 calendar year.

8 (12) Screening mammogram.

9 (13) Anesthesia services.

10 (14) Assistant surgery.

11 (15) Concurrent care.

12 (16) Consultation services with a maximum of one per
13 specialty.

14 (17) A copayment of \$50 for emergency services. The
15 copayment is waived if the patient is admitted.

16 (18) Inpatient medical care covered for 21 days per
17 calendar year.

18 (19) Outpatient diagnostic services.

19 (20) A copayment of \$15 for a primary care physician
20 office visit; and a copayment of \$25 for a specialist visit.
21 The visits specified in this paragraph are limited to four
22 combined visits per calendar year.

23 (21) Routine newborn care.

24 (22) Second surgical opinion.

25 (23) Surgery.

26 (24) Therapy services.

27 (25) Transplant services.

28 (26) Other benefits as the department shall require.

29 (h) Health insurance premium reduction.--An insurer shall,
30 upon presentation of a department-issued certificate by an

1 eligible adult, reduce the amount of the health insurance
2 premium to be paid by the eligible adult by \$500.

3 Section 4. Health Care Insurance Certificate Program Fund.

4 (a) Establishment.--The Health Care Insurance Certificate
5 Program Fund is established as a separate fund in the Treasury
6 Department. The fund shall be administered by the department for
7 the purpose of maximizing the purchase of health insurance by
8 eligible adults.

9 (b) Administration.--The fund shall be administered by the
10 department without liability on the part of the Commonwealth
11 beyond the amount of the fund.

12 (c) State Treasurer as custodian of the fund.--The State
13 Treasurer shall be the custodian of the fund, and disbursements
14 from the fund shall be paid at the request of the department.
15 For making payments without audit, the State Treasurer shall not
16 be under any liability whatsoever. The State Treasurer may
17 deposit any portion of the fund not needed for immediate use as
18 other State funds are lawfully deposited. The interest shall be
19 placed to the credit of the fund.

20 (d) Fund deposits.--The revenues associated with the repeal
21 of section 227 of the act of March 4, 1971 (P.L.6, No.2), known
22 as the Tax Reform Code of 1971, shall be deposited in the fund.

23 Section 5. Administration of fund.

24 The Governor may transfer to the fund from such funds as may
25 be appropriate, money necessary to implement this act as quickly
26 as possible until sufficient revenues are realized by the Health
27 Care Insurance Certificate Program Fund. A transfer made under
28 this section shall be repaid with interest under section 2 of
29 the act of August 22, 1961 (P.L.1049, No.479), entitled "An act
30 authorizing the State Treasurer under certain conditions to

1 transfer sums of money between the General Fund and certain
2 funds and subsequent transfers of equal sums between such funds,
3 and making appropriations necessary to effect such transfers."

4 Section 6. Regulations.

5 The department is empowered to promulgate any and all
6 regulations necessary to implement this act.

7 Section 19. Repeals.

8 Repeals are as follows:

9 (1) The General Assembly declares that the repeal under
10 paragraph (2) is necessary to effectuate this act.

11 (2) Section 227 of the act of March 4, 1971 (P.L.6,
12 No.2), known as the Tax Reform Code of 1971.

13 Section 20. Effective date.

14 This act shall take effect in 60 days.