
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1357 Session of
2019

INTRODUCED BY B. MILLER, MILLARD, MURT, RYAN, ZIMMERMAN, GROVE,
MACKENZIE, SCHLEGEL CULVER, GABLER, GAYDOS, LEWIS, GLEIM AND
RAPP, MAY 1, 2019

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MAY 1, 2019

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2 Statutes, providing for health savings accounts.

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

5 Section 1. Title 40 of the Pennsylvania Consolidated
6 Statutes is amended by adding a part to read:

7 PART I-A

8 SPECIAL ACCOUNTS

9 Chapter

10 5. Health Savings Accounts

11 CHAPTER 5

12 HEALTH SAVINGS ACCOUNTS

13 Subchapter

14 A. General Provisions

15 B. State Employee Health Savings Accounts

16 SUBCHAPTER A

17 GENERAL PROVISIONS

1 Sec.

2 501. Scope of chapter.

3 502. Definitions.

4 § 501. Scope of chapter.

5 This chapter relates to health savings accounts.

6 § 502. Definitions.

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

10 "Health insurance policy." An individual or group health,
11 sickness or accident policy or subscriber contract or
12 certificate issued by an entity subject to any one of the
13 following:

14 (1) The act of May 17, 1921 (P.L.682, No.284), known as
15 The Insurance Company Law of 1921, including section 630 and
16 Article XXIV of that act.

17 (2) The act of December 29, 1972 (P.L.1701, No.364),
18 known as the Health Maintenance Organization Act.

19 (3) The act of May 18, 1976 (P.L.123, No.54), known as
20 the Individual Accident and Sickness Insurance Minimum
21 Standards Act.

22 (4) Chapter 61 (relating to hospital plan corporations)
23 or 63 (relating to professional health services plan
24 corporations).

25 "Health savings account." As defined in section 223(d) of
26 the Internal Revenue Code.

27 "High deductible health plan." As defined in section 223(c)
28 (2) of the Internal Revenue Code.

29 "Internal Revenue Code." The Internal Revenue Code of 1986
30 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

1 "State employee." As defined in 71 Pa.C.S. § 5102 (relating
2 to definitions).

3 SUBCHAPTER B

4 STATE EMPLOYEE HEALTH SAVINGS ACCOUNTS

5 Sec.

6 511. Scope of subchapter.

7 512. Definitions.

8 513. Establishment of program.

9 514. Program designs.

10 515. Training.

11 § 511. Scope of subchapter.

12 This subchapter relates to health savings accounts and high
13 deductible health plans for State employees.

14 § 512. Definitions.

15 The following words and phrases when used in this subchapter
16 shall have the meanings given to them in this section unless the
17 context clearly indicates otherwise:

18 "Program." The alternative and optional program established
19 under section 513 (relating to establishment of program).

20 § 513. Establishment of program.

21 On or before July 1, 2021, the Pennsylvania Employees Benefit
22 Trust Fund shall offer, as an alternative and on an optional
23 basis, a program for the use of health savings accounts with a
24 qualifying State-sponsored, high deductible health plan.

25 § 514. Program designs.

26 (a) Submittal.--On or before January 1, 2021, the Office of
27 Administration shall submit a report on the program designs to
28 the Independent Fiscal Office for review.

29 (b) Optional contents.--The report on the program designs
30 may include multiple options for final implementation, such as

1 various levels of State participation and types of benefit
2 designs.

3 (c) Mandatory contents.--The program designs shall include
4 all of the following:

5 (1) Benefit designs, including deductible amounts, for
6 the high deductible health plans.

7 (2) Premium amounts for the high deductible health
8 plans.

9 (3) Employee and employer contribution strategies for
10 the high deductible health plan premiums.

11 (4) Employer and employee contribution strategies for
12 the health savings account deposits.

13 (5) The ability for employees to make pretax
14 contributions through a salary deferral arrangement for the
15 health savings accounts.

16 (6) Options for custodial arrangements for the health
17 savings accounts.

18 (7) Investment options for health savings account
19 holders.

20 (8) Assessment of administrative and claim costs.

21 (9) Statements of the actuarial assumptions, including
22 demographic, participation and utilization assumptions, used
23 in program designs.

24 (10) An analysis of the impact on existing health plans
25 of offering the option of health savings accounts paired with
26 a high deductible health plan.

27 (d) Basis.--The program designs shall be based on the
28 creation of coverage options so that the average per person
29 employer cost of the program, including the contributions for
30 the health savings accounts and high deductible plan, does not

1 exceed the average per person employer cost of the traditional
2 State employee health benefits program for the same fiscal year.
3 \$ 515. Training.

4 (a) Coordination.--The Office of Administration shall
5 coordinate and offer training for State employees, including
6 online training, regarding the program and health benefit plan
7 options offered to State employees.

8 (b) Requirement.--Each employer participating in a State
9 employee health benefit plan shall require each of its employees
10 to complete training on the health benefit plan options
11 available to the employee. The training:

12 (1) may be completed online; and

13 (2) shall be completed:

14 (i) before the end of the 2021 open enrollment
15 period for individuals who are State employees as of
16 January 1, 2021; and

17 (ii) prior to the employee's selection of a health
18 benefit plan, if the employee was hired after January 1,
19 2021.

20 Section 2. This act shall take effect immediately.