



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1336

PRINTERS NO. 1839

PRIME SPONSOR: D. White

COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	\$0

SUMMARY: Senate Bill 1336 amends the Accident and Health Filing Reform Act concerning Pennsylvania Insurance Department authority over the small group health insurance market.

ANALYSIS: This legislation adds two new chapters to the Accident and Health Filing Reform Act, chapter 3 and chapter 5. Chapter 3 requires that all small group health insurance rates be filed with the Pennsylvania Insurance Department (PID). Increases to base rates of 10% or more will be subject to PID review, as will increases to rates for specific groups that deviate from the base rate by 15% or more. In addition, base rates not currently on file with the PID must be filed with the PID within 45 days of the effective date of the bill.

The federal Patient Protection and Affordable Care Act (ACA) requires the U.S. Department of Health and Human Services (HHS) to assume control over individual and small group health insurance markets in states that do not have an effective rate review program. Passage of this legislation will give Pennsylvania an effective rate review program according to HHS and the ACA, and allow the Commonwealth to maintain control over the state's entire health insurance market.

The addition of chapter 5 will only take effect in the event the rate review provision of the ACA is repealed by Congress or invalidated by the U.S. Supreme Court. This language would simply return the Accident and Health Filing Reform Act to current law, as if House Bill 1983 had never been enacted.

FISCAL IMPACT: Enactment of this legislation will have no adverse impact on Commonwealth funds.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: December 12, 2011

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.