



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2562

PRINTER'S NO. 3598

PRIME SPONSOR: Frankel

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
Insurance Regulation and Oversight Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

This legislation prohibits health insurance companies from imposing annual and lifetime limits to the dollar value of core benefits provided under the policy to the enrollee.

ANALYSIS:

House Bill 2562, Printer's Number 3598, known as the Health Insurance Protection Against Limitations Act, prohibits a health insurance company that offers, issues, or renews an individual or group health insurance policy from imposing annual or lifetime limits on the dollar value of core benefits provided under the policy to an enrollee.

Core benefits include a benefit for which no annual or lifetime per enrollee limit was permitted to be included in an individual or small group health insurance policy offered or issued in the commonwealth in 2024.

The Department of Insurance may promulgate regulations as may be necessary and appropriate to carry out the provisions of this legislation.

Health insurance companies that violate the requirements in this legislation may have a fine imposed at the Insurance Commissioner's discretion. Fines may be assessed for not more than \$5,000 for each violation and \$10,000 for each willful violation. Fines imposed may not exceed \$500,000 in aggregate during a single calendar year against an individual insurer, and \$100,000 in aggregate during a single calendar year against any other person subject to this legislation.

The Insurance Commissioner will transmit notice to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin if the United States Congress repeals federal regulations that prohibit annual or lifetime limits, a court of the United States abrogates, vacates, or invalidates these federal regulations, or if the executive branch of the United States refuses to enforce or repeals these federal regulations.

The requirements for the Insurance Commissioner to transmit notice takes effect immediately upon enactment of this legislation. The remainder of the legislation takes effect upon publication of that notice.

FISCAL IMPACT:

The Department of Insurance oversees health insurance companies' compliance with requirements including compliance with this legislation. Additionally, the department investigates any potential compliance issues and, if necessary, imposes fines. The department does not currently anticipate any increase in administrative costs due to the requirements in this legislation.

The collection of fines imposed by the department, as provided for in this legislation, may result in increased revenue received by the commonwealth. Revenue resulting from fines paid by health insurance companies is deposited into the Insurance Regulation and Oversight Fund. An increase in revenue received by the department due to the additional fines imposed and the payment of those fines would increase the balance in this Fund. However, the number of health insurance companies that would be found to be out of compliance with these requirements and have fines imposed by the department is unknown at this time. Therefore, any increased revenue to the commonwealth is indeterminate.

PREPARED BY: Mara Perez, Senior Budget Analyst
House Appropriations Committee (D)

DATE: October 9, 2024

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