
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2434 Session of
2020

INTRODUCED BY THOMAS, CIRESI, HILL-EVANS, READSHAW, SCHWEYER AND
TOMLINSON, APRIL 28, 2020

REFERRED TO COMMITTEE ON INSURANCE, APRIL 28, 2020

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2 Statutes, providing for on-exchange insurers.

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 chapter to read:

7 CHAPTER 96

8 ON-EXCHANGE INSURERS

9 Sec.

10 9601. Definitions.

11 9602. Essential health benefits.

12 9603. Preexisting conditions.

13 9604. Limits on coverage.

14 9605. Dependent coverage.

15 9606. Premiums.

16 9607. Comparative purchasing options.

17 § 9601. Definitions.

18 The following words and phrases when used in this chapter

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 "Preexisting condition exclusion." As defined in section
4 2704 of the Public Health Service Act (58 Stat. 682, 42 U.S.C. §
5 300gg-3).

6 § 9602. Essential health benefits.

7 An insurer that offers a health insurance policy through the
8 exchange must include coverage for the following health care
9 services and benefits in the following categories:

10 (1) Ambulatory patient services.

11 (2) Emergency services.

12 (3) Hospitalization.

13 (4) Maternity and newborn health care.

14 (5) Mental health and substance use disorder services,
15 including, but not limited to, behavioral health treatment.

16 (6) Prescription drugs.

17 (7) Rehabilitative and habilitative services and
18 devices.

19 (8) Laboratory services.

20 (9) Preventive and wellness services and chronic disease
21 management.

22 (10) Pediatric services, including, but not limited to,
23 oral and vision care.

24 § 9603. Preexisting conditions.

25 An insurer that offers a health insurance policy through the
26 exchange may not impose a preexisting condition exclusion.

27 § 9604. Limits on coverage.

28 An insurer that offers a health insurance policy through the
29 exchange may not establish any the following:

30 (1) A lifetime limit on the dollar value of benefits for

1 any enrollee.

2 (2) Annual limits on the dollar value of benefits for
3 any participant or beneficiary.

4 § 9605. Dependent coverage.

5 An insurer that offers a health insurance policy through the
6 exchange that provides dependent coverage of children shall
7 continue to make the coverage available for an adult child until
8 the child turns 26 years of age. Nothing in this section shall
9 require an insurer to make coverage available for a child of a
10 child receiving dependent coverage.

11 § 9606. Premiums.

12 (a) Premium revenue.--The ratio of the amount of premium
13 revenue expended by the insurer on reimbursement for clinical
14 services provided to enrollees under a health care plan and for
15 activities that improve health care quality to the total amount
16 of premium revenue for the plan year may not be less than 80%.

17 (b) Duties of department.--The department shall:

18 (1) Establish a process for the annual review of
19 unreasonable increases in premiums for health insurance
20 coverage. The process shall require an insurer to submit to
21 the department a justification for an unreasonable premium
22 increase prior to the implementation of the increase. The
23 insurer shall prominently post the premium increase
24 information on the insurer's publicly accessible Internet
25 website.

26 (2) Ensure the public disclosure of information on
27 premium increases and justifications for all insurers.

28 (3) Consider whether particular insurers should be
29 excluded from participation in the exchange based on a
30 pattern or practice of excessive or unjustified premium

1 increases.

2 (4) Monitor premium increases of health insurance
3 coverage offered through the exchange and outside of an
4 exchange.

5 (5) Require insurers seeking certification as qualified
6 health plans to submit a justification for any premium
7 increase prior to implementation of the increase. An insurer
8 shall prominently post premium increase information on the
9 insurer's publicly accessible Internet website. The
10 department shall take this information into consideration
11 when determining whether to make these health plans available
12 through the exchange.

13 § 9607. Comparative purchasing options.

14 The exchange authority shall establish a standardized format
15 to be used for the presentation of information for use by
16 consumers to identify affordable health insurance coverage
17 options in this Commonwealth. The format shall, at a minimum,
18 require the inclusion of information on the percentage of total
19 premium revenue expended on nonclinical costs, eligibility,
20 availability, premium rates and cost sharing with respect to
21 health insurance coverage options and be consistent with the
22 standards adopted for the uniform explanation of coverage as
23 provided for in section 2715 of the Public Health Service Act
24 (58 Stat. 682, 42 U.S.C. § 300gg-15).

25 Section 2. This act shall take effect in 60 days.