
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1026 Session of
1995

INTRODUCED BY MICOZZIE, WAUGH, FICHTER, DEMPSEY, CLARK, SATHER, GIGLIOTTI, TRELLO, GODSHALL, TIGUE, FARGO, HERMAN, HENNESSEY, GANNON, BARD, GRUPPO, MELIO, BATTISTO, L. I. COHEN, RAYMOND, SCHRODER, E. Z. TAYLOR, FLEAGLE, HUTCHINSON, ROHRER, O'BRIEN, LEH, M. N. WRIGHT, KENNEY, STERN, RUBLEY, TANGRETTI, CARN, FLICK, MILLER, ADOLPH, ARMSTRONG, SAYLOR, J. TAYLOR, TRICH, CIVERA, MERRY, SEMMEL, OLASZ, STURLA, STEELMAN, BELFANTI AND DURHAM, MARCH 6, 1995

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
MAY 13, 1996

AN ACT

1 Providing for continuity of health insurance benefits in certain
2 situations.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Health Care
7 Insurance Continuity Act.

8 Section 2. Statement of purpose.

9 The General Assembly finds and declares as follows:

10 (1) This Commonwealth is a leader in the country in
11 regard to health care insurance coverage for its residents.

12 (2) This Commonwealth's free market approach has been
13 successful in providing health insurance to 90% of its
14 population.

1 (3) Uninsured statistics are sporadic as people are
2 moving in and out of coverage.

3 (4) Eliminating preexisting condition exclusions when a
4 person changes insurance coverage and prohibiting
5 cancellation of a policy for any health reason will provide
6 security and peace of mind to Commonwealth citizens and
7 reduce the number of uninsured.

8 Section 3. Definitions.

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

12 "Genetic test." A laboratory test of human DNA or
13 chromosomes used to identify the presence or absence of
14 inherited alterations in genetic material which are associated
15 with disease or illness, including carrier status and a direct
16 measure of those alterations. The term does not include a test
17 of indirect manifestations of the alterations.

18 "Group health contract." A health insurance agreement issued
19 by an insurer to cover employees of an employer or a trust fund
20 established to cover employees of one or more employers and an
21 association of employees. The term does not include accident-
22 only, fixed indemnity, limited benefit, credit, dental, vision,
23 group long-term care, group disability, Medicare supplement,
24 Civilian Health and Medical Program of the Uniformed Services
25 supplement insurance, workers' compensation or similar
26 insurance, or automobile medical-payment insurance.

27 "Health insurance agreement." An accident and health
28 insurance policy, contract or group insurance certificate issued
29 by an insurer on an individual or group basis.

30 "Insurer." Any insurance company, association or reciprocal,

1 nonprofit hospital plan corporation; nonprofit professional
2 health service plan; health maintenance organization organized
3 and regulated under the act of December 29, 1972 (P.L.1701,
4 No.364), known as the Health Maintenance Organization Act; risk-
5 assuming preferred provider organization organized and regulated
6 under the act of May 17, 1921 (P.L.682, No.284), known as The
7 Insurance Company Law of 1921; preferred provider with a "health
8 management gatekeeper" role for primary care physicians
9 organized and regulated as a health services corporation or a
10 preferred provider organization subject to the provisions of
11 section 630 of The Insurance Company Law of 1921; fraternal
12 benefit society subject to the provisions of the act of December
13 14, 1992 (P.L.835, No.134), known as the Fraternal Benefit
14 Societies Code.

15 Section 4. Continuity of coverage.

16 (a) Applicability.--This section shall apply to group health
17 contracts issued or renewed by insurers on or after the
18 effective date of this act.

19 (b) Persons protected by this section.--The protections of
20 this section shall apply to any person who seeks coverage under
21 or enrollment in a group health contract if all of the following
22 apply:

23 (1) The person was covered under a prior health
24 insurance agreement or was covered under a governmental
25 health financing program such as medical assistance or
26 Medicare for at least 90 days before discontinuance or
27 termination of the prior health insurance agreement. Under
28 this paragraph, a dependent of an employee is covered if the
29 employee and the dependent were covered under the prior
30 health insurance agreement.

1 (2) The coverage under the prior health insurance
2 agreement or governmental program terminated not more than
3 three months before the person enrolled or was eligible to
4 enroll in the succeeding group health contract. A period of
5 ineligibility for any health insurance agreement imposed by
6 terms of employment may not be considered in determining
7 whether the coverage ended within three months of the date
8 the person enrolled or was eligible to enroll in the group
9 health contract.

10 (c) Protections.--An insurer may not do any of the
11 following:

12 (1) Decline to enroll a person protected by subsection
13 (b) in a group health contract based on health status or
14 history or the results of a genetic test if the person is
15 otherwise eligible to be enrolled.

16 (2) REQUIRE OR REQUEST DIRECTLY OR INDIRECTLY ANY <—
17 INDIVIDUAL OR A MEMBER OF THE INDIVIDUAL'S FAMILY TO OBTAIN A
18 GENETIC TEST.

19 (3) REQUIRE OR REQUEST DIRECTLY OR INDIRECTLY ANY
20 INDIVIDUAL TO REVEAL WHETHER THE INDIVIDUAL OR A MEMBER OF
21 THE INDIVIDUAL'S FAMILY HAS OBTAINED A GENETIC TEST.

22 (4) CONDITION THE ISSUANCE OR RENEWAL OF A HEALTH
23 INSURANCE AGREEMENT OR HEALTH CARE BENEFITS ON WHETHER AN
24 INDIVIDUAL OR A MEMBER OF THE INDIVIDUAL'S FAMILY HAS
25 OBTAINED A GENETIC TEST.

26 (5) CONSIDER IN THE DETERMINATION OF RATES OR RISK
27 CLASSIFICATION WHETHER AN INDIVIDUAL OR A MEMBER OF THE
28 INDIVIDUAL'S FAMILY HAS OBTAINED A GENETIC TEST OR, IF
29 OBTAINED BY THE INDIVIDUAL OR A MEMBER OF THE INDIVIDUAL'S
30 FAMILY, THE RESULTS OF THE TEST.

1 (6) DECLINE TO ENROLL A PERSON IN A HEALTH INSURANCE
2 AGREEMENT BASED ON THE RESULTS OF A GENETIC TEST IF A PERSON
3 IS OTHERWISE ELIGIBLE TO BE ENROLLED.

4 ~~(2)~~ (7) Impose a preexisting condition exclusion period ←
5 or waiting period for any condition except to the extent that
6 there is a preexisting condition exclusion period or waiting
7 period from the prior health insurance agreement that remains
8 unexpired. In this event, the insurer shall credit the time
9 the person was covered under the previous health insurance
10 agreement, exclusive of any applicable waiting period under
11 that agreement.

12 (d) Determination of waiting period.--If a determination of
13 the existence of a preexisting condition exclusion period or
14 waiting period under the prior health insurance agreement is
15 required for the insurer issuing or entering into a succeeding
16 group health contract to comply with this section, the issuer of
17 the prior health insurance agreement shall at the request of the
18 issuer of the succeeding group health contract furnish a
19 statement as to the existence and terms of any preexisting
20 condition exclusion period or waiting period under the prior
21 health insurance agreement.

22 (e) Limited liability after discontinuance.--The insurer
23 that issued the prior health insurance agreement is liable after
24 discontinuance of that health insurance agreement only to the
25 extent of its accrued liabilities and extension of benefits.

26 (f) Duplication.--Nothing in this section shall be construed
27 as requiring an employer or insurer issuing or entering into a
28 succeeding group health contract to provide the same or similar
29 type or extent of coverage as the prior health insurance
30 agreement. Nothing in this section shall require an employer to

1 provide any health insurance to employees.

2 Section 5. Applicability.

3 This act shall apply to all insurance policies, subscriber
4 contracts and group insurance certificates issued under any
5 group master policy delivered or issued for delivery on or after
6 the effective date of this act. This act shall also apply to all
7 renewals of contracts on any renewal date which is on or after
8 the effective date of this act.

9 Section 6. Effective date.

10 This act shall take effect in 180 days.