
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 738 Session of
2005

INTRODUCED BY BOYD, TURZAI, YOUNGBLOOD, GODSHALL, SCAVELLO,
MUSTIO, TRUE, SCHRODER, BARRAR, KILLION, LEH, ROHRER,
BENNINGHOFF, HUTCHINSON, CRAHALLA, PICKETT, REED, HESS,
BALDWIN, DALLY, M. KELLER, THOMAS, GILLESPIE, WHEATLEY,
O'NEILL AND KAUFFMAN, MARCH 1, 2005

REFERRED TO COMMITTEE ON INSURANCE, MARCH 1, 2005

AN ACT

1 Imposing a moratorium on enactment of new or expanded health
2 insurance policy mandated benefits and to require the
3 Legislative Budget and Finance Committee to study the issue
4 of health insurance mandates and report to the General
5 Assembly.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Mandated
10 Benefit Moratorium Act.

11 Section 2. Definitions.

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

15 "Health insurance policy." An individual or group health,
16 sickness or accident policy, subscriber contract or certificate
17 issued by an entity subject to any of the following:

18 (1) The act of May 17, 1921 (P.L.682, No.284), known as

1 The Insurance Company Law of 1921.

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

4 (3) 40 Pa.C.S. Ch. 61 (relating to hospital plan
5 corporations) or 63 (relating to professional health services
6 plan corporations).

7 "Insurer." A foreign or domestic entity that issues a health
8 insurance policy in this Commonwealth.

9 Section 3. Mandated benefit moratorium.

10 (a) General rule.--Notwithstanding any other provision of
11 law to the contrary, pending submission to the General Assembly
12 of the study required by section 4 (relating to study of
13 existing mandated benefits), a moratorium is hereby established
14 during which the General Assembly shall not enact any new or
15 expanded health insurance policy mandated benefit.

16 (b) Construction.--Nothing in this act shall be construed
17 to:

18 (1) Prohibit an employer or insurer from electing to
19 provide new or expanded coverage under a health insurance
20 policy.

21 (2) Prohibit changes in any coverage requirements to
22 comply with Federal law.

23 Section 4. Study of existing mandated benefits.

24 The Legislative Budget and Finance Committee shall study the
25 issue of health insurance policy mandated benefits and the cost
26 to employers and individuals of health insurance policy
27 mandates. In conducting the study, the Legislative Budget and
28 Finance Committee shall consider cost-benefit analyses to
29 determine the cost-effectiveness of mandated benefits. At a
30 minimum, the committee shall inquire into and make

1 recommendations with respect to:

2 (1) Each and every federally mandated and State-mandated
3 health benefit placed upon issuers in Pennsylvania since
4 1990.

5 (2) The impact of each such mandated health benefit on
6 the premiums for health insurance policy coverage in this
7 Commonwealth.

8 (3) The social, financial and medical efficacy of each
9 such mandated health benefit.

10 The committee shall submit a final report with recommendations
11 to the General Assembly no later than December 31, 2006, and
12 shall publish notice of the final report in the Pennsylvania
13 Bulletin within 30 days of the submission of the final report.

14 Section 5. Effective date.

15 This act shall take effect immediately.