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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1825 Session of 2008

INTRODUCED BY KILLION, BOYD, COX, CUTLER, J. EVANS, GILLESPIE, KENNEY, MILNE, MUSTIO, NICKOL, PICKETT, REICHLEY, STERN AND WATSON, JANUARY 3, 2008

REFERRED TO COMMITTEE ON INSURANCE, JANUARY 3, 2008

AN ACT

1 Requiring the Insurance Department to develop standard health
2 benefit plans that certain insurers shall offer to
3 individuals and small employers; and requiring the Insurance
4 Department to facilitate the availability of standard health
5 benefit plan information by electronic and other means.

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 LifeLine
10 Health Insurance Act.

11 Section 2. Statement of purpose.

12 The General Assembly recognizes the need for individuals and
13 employers in this Commonwealth to have the opportunity to
14 acquire health benefit plans that provide appropriate and
15 affordable coverage. The General Assembly seeks to increase the
16 availability of coverage by specifying health benefit plans
17 which certain insurers shall offer and requiring the Insurance
18 Department to take steps to facilitate the availability of
19 information relating to the plans and their terms, conditions

1 and premiums through electronic and other means.
2 Section 3. Definitions.
3 The following words and phrases when used in this act shall
4 have the meanings given to them in this section unless the
5 context clearly indicates otherwise:
6 "Commissioner." The Insurance Commissioner of the
7 Commonwealth.
8 "Department." The Insurance Department of the Commonwealth.
9 "Dependent child." A natural or adopted child of a qualified
10 individual. The term includes a stepchild who resides in a
11 qualified individual's household if the qualified individual has
12 assumed the financial responsibility for the child and another
13 parent is not legally responsible for the support and medical
14 expenses of the child.
15 "Eligible dependent." A spouse of a qualified individual and
16 any dependent children who are under 19 years of age.
17 "Health benefit plan." An individual or group health
18 insurance policy, subscriber contract, certificate or plan that
19 provides health or sickness and accident coverage which is
20 offered by an insurer. The term does not include any of the
21 following:
22 (1) An accident only policy.
23 (2) A limited benefit policy.
24 (3) A credit only policy.
25 (4) A long-term or disability income policy.
26 (5) A specified disease policy.
27 (6) A Medicare supplement policy.
28 (7) A Civilian Health and Medical Program of the
29 Uniformed Services (CHAMPUS) supplement policy.
30 (8) A fixed indemnity policy.

1 (9) A dental only policy.
2 (10) A vision only policy.
3 (11) A workers' compensation policy.
4 (12) An automobile medical payment policy under 75
5 Pa.C.S. (relating to vehicles).
6 "High deductible health plan." A health insurance policy
7 that would qualify as a high deductible health plan under
8 section 223(c)(2) of the Internal Revenue Code of 1986 (Public
9 Law 99-514, 26 U.S.C. § 223(c)(2)).
10 "Insurer." A company or health insurance entity licensed in
11 this Commonwealth to issue any individual or group health
12 insurance, sickness or accident policy, subscriber contract,
13 certificate or plan that provides medical or health care
14 coverage by a health care facility or licensed health care
15 provider that is offered or governed under any of the following:
16 (1) This act.
17 (2) The act of December 29, 1972 (P.L.1701, No.364),
18 known as the Health Maintenance Organization Act.
19 (3) The act of May 18, 1976 (P.L.123, No.54), known as
20 the Individual Accident and Sickness Insurance Minimum
21 Standards Act.
22 (4) 40 Pa.C.S. Ch. 61 (relating to hospital plan
23 corporations) or 63 (relating to professional health services
24 plan corporations).
25 "Licensee." An individual who is licensed by the Department
26 of State to provide professional health care services in this
27 Commonwealth.
28 "LifeLine health plan." A health benefit plan that offers
29 the following, subject to the provisions of section 4:
30 (1) Twenty-one days of inpatient hospital surgical and

medical coverage per policy year.

(2) Coverage for four office visits for primary health care services for covered services rendered by a licensee, subject to a copayment for each visit of $10 for treatment of injury or illness.

(3) Coverage for surgery and anesthesia.

(4) Coverage for emergency accident and medical treatment.

(5) Coverage for diagnostic services up to $1,000 per policy year.

(6) Coverage for chemotherapy and radiation treatment.

(7) Coverage for maternity care.

(8) Coverage for newborn care for up to 31 days following birth.

"Participating insurer." An insurer that offers health benefit plans to groups or individuals and which has health benefit plans in force covering in the aggregate at least 100,000 qualified individuals in this Commonwealth.

"Standard health benefit plan." The LifeLine health plan and any high deductible health plan offered by participating insurers to individuals and employers.

Section 4. Offering of standard health benefit plans.

(a) Offering of plans.--All participating insurers shall offer the standard benefit plans specified under this act to individuals and to employers for the benefit of individuals employed by them.

(b) Inclusion in coverage.--If coverage is provided to eligible dependents under a LifeLine health plan, the coverage shall include dependent children of the insured from the moment of birth and for adopted dependent children with prior coverage

1 from the date of the interlocutory decree of adoption. The
2 participating insurer may require that the insured give notice
3 to it of any newborn child within 90 days following the birth of
4 the child and of any adopted child within 60 days of the date
5 the insured has filed a petition to adopt.
6 (c) Exclusion.--Participating insurers may exclude coverage
7 under a LifeLine health plan for an individual who has not been
8 covered by a health benefit plan for more than 30 days for up to
9 one year for medical conditions for which medical advice or
10 treatment was received by the individual during the 12 months
11 prior to the effective date of the individual's LifeLine health
12 plan policy.
13 (d) Applicability.--No law, regulation or administrative
14 directive requiring the coverage of a health care benefit or
15 service or requiring the reimbursement, utilization or inclusion
16 of a specific category of licensee shall apply to LifeLine
17 health plans delivered or issued for delivery in this
18 Commonwealth under the authority granted under this act,
19 including the provision of the benefits or requirements mandated
20 under Article VI-A of the act of May 17, 1921 (P.L.682, No.284),
21 known as The Insurance Company Law of 1921, or by regulations
22 promulgated under this act.
23 Section 5. Facilitation by the department of access to standard
24 health benefit plans and related information.
25 (a) Duty of department.--The department shall take all
26 actions necessary to effectuate the provisions of this act such
27 that participating insurers are able to make standard benefit
28 plans available not later than 180 days following the effective
29 date of this section.
30 (b) Demonstration of coverage.--

(1) Each insurer shall, not more than 90 days after the effective date of this section, demonstrate to the commissioner all of the following:

(i) If it has health benefit plans in force covering a sufficient number of individuals to qualify as a participating insurer.

(ii) If qualified as a participating insurer, that it has the capacity to issue standard health benefit plans and provide information sufficient to permit the department to discharge the responsibilities assigned to it under subsection (d).

(iii) If qualified as a participating insurer, that it has undertaken a process to make standard benefit plans available not later than 180 days following the effective date of this section.

(2) The commissioner shall notify an insurer of its qualification as a participating insurer under this subsection.

(c) Demonstration of capacity.--

(1) An insurer shall, within 30 days of first providing coverage under health benefit plans to a sufficient number of individuals to qualify as a participating insurer under this act, demonstrate to the commissioner all of the following:

(i) That it has the capacity to issue standard health benefit plans and provide information sufficient to permit the department to discharge the responsibilities assigned to it under subsection (d).

(ii) That it has undertaken a process to make standard benefit plans available not later than 180 days following provision of the information to the

1 commissioner.

2 (2) The commissioner shall notify an insurer of its
3 qualification as a participating insurer under this
4 subsection.

5 (d) Facilitation.--The department shall facilitate the
6 availability of information relating to standard health benefit
7 plans by electronic and other means, inclusive of pricing and
8 benefit information and all other relevant information, so that
9 prospective purchasers of the plans have the ability to compare
10 benefits, terms, conditions and pricing among all participating
11 insurers.

12 (e) Provision of information.--Participating insurers shall
13 provide the department, at its request, with information
14 sufficient to enable it to discharge its responsibilities under
15 subsection (d).

16 Section 6. Records and reporting.

17 A participating insurer shall provide an annual report to the
18 department in a form prescribed by the department enumerating
19 all of the following:

20 (1) The number of individuals covered under standard
21 health benefit plans, including coverage provided both
22 directly to individuals and through employers.

23 (2) The number of persons receiving coverage both under
24 LifeLine health benefit plans and through high deductible
25 health plans.

26 Section 7. Petition for exception.

27 (a) Petition.--An insurer may, after the third anniversary
28 of its qualification as a participating insurer, petition the
29 commissioner to be relieved of the obligation to offer LifeLine
30 health plans under this act. The commissioner may grant the

1 petition upon a finding that the petitioner has used its
2 commercially reasonable best efforts to market and issue the
3 coverage and that continuation of the efforts would not provide
4 LifeLine health plan coverage to a sufficient number of
5 individuals to justify continued efforts to market and issue the
6 coverage.
7 (b) Arrangements.--The commissioner shall, as a condition
8 for approving a petition described under subsection (a), require
9 that arrangements be made for the orderly disposition of
10 outstanding coverage.
11 Section 8. Effective date.
12 This act shall take effect in 60 days.