

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**

**No. 1980** Session of  
2007

INTRODUCED BY BOYD, MENSCH, ARGALL, BENNINGHOFF, BUXTON, CUTLER,  
DALLY, FAIRCHILD, GINGRICH, HARPER, HICKERNELL, HORNAMAN,  
KAUFFMAN, MANN, McILHATTAN, MICOZZIE, MILNE, MOUL, MUNDY,  
MUSTIO, NAILOR, NICKOL, RAPP, REED, REICHLEY, ROAE, SCHRODER,  
SONNEY, STEIL, TRUE AND VULAKOVICH, NOVEMBER 14, 2007

REFERRED TO COMMITTEE ON INSURANCE, NOVEMBER 14, 2007

AN ACT

1 Amending the act of July 8, 1986 (P.L.408, No.89), entitled, as  
2 reenacted, "An act providing for the creation of the Health  
3 Care Cost Containment Council, for its powers and duties, for  
4 health care cost containment through the collection and  
5 dissemination of data, for public accountability of health  
6 care costs and for health care for the indigent; and making  
7 an appropriation," further providing for mandated health  
8 benefits.

9 The General Assembly of the Commonwealth of Pennsylvania  
10 hereby enacts as follows:

11 Section 1. Section 9 of the act of July 8, 1986 (P.L.408,  
12 No.89), known as the Health Care Cost Containment Act, reenacted  
13 and amended July 17, 2003 (P.L.31, No.14), is repealed:

14 [Section 9. Mandated health benefits.

15 In relation to current law or proposed legislation, the  
16 council shall, upon the request of the appropriate committee  
17 chairman in the Senate and in the House of Representatives or  
18 upon the request of the Secretary of Health, provide information  
19 on the proposed mandated health benefit pursuant to the

1 following:

2 (1) The General Assembly hereby declares that proposals  
3 for mandated health benefits or mandated health insurance  
4 coverage should be accompanied by adequate, independently  
5 certified documentation defining the social and financial  
6 impact and medical efficacy of the proposal. To that end the  
7 council, upon receipt of such requests, is hereby authorized  
8 to conduct a preliminary review of the material submitted by  
9 both proponents and opponents concerning the proposed  
10 mandated benefit. If, after this preliminary review, the  
11 council is satisfied that both proponents and opponents have  
12 submitted sufficient documentation necessary for a review  
13 pursuant to paragraphs (3) and (4), the council is directed  
14 to contract with individuals, pursuant to the selection  
15 procedures for vendors set forth in section 16, who will  
16 constitute a Mandated Benefits Review Panel to review  
17 mandated benefits proposals and provide independently  
18 certified documentation, as provided for in this section.

19 (2) The panel shall consist of senior researchers, each  
20 of whom shall be a recognized expert:

21 (i) one in health research;

22 (ii) one in biostatistics;

23 (iii) one in economic research;

24 (iv) one, a physician, in the appropriate specialty  
25 with current knowledge of the subject being proposed as a  
26 mandated benefit; and

27 (v) one with experience in insurance or actuarial  
28 research.

29 (3) The Mandated Benefits Review Panel shall have the  
30 following duties and responsibilities:

1 (i) To review documentation submitted by persons  
2 proposing or opposing mandated benefits within 90 days of  
3 submission of said documentation to the panel.

4 (ii) To report to the council, pursuant to its  
5 review in subparagraph (i), the following:

6 (A) Whether or not the documentation is complete  
7 as defined in paragraph (4).

8 (B) Whether or not the research cited in the  
9 documentation meets professional standards.

10 (C) Whether or not all relevant research  
11 respecting the proposed mandated benefit has been  
12 cited in the documentation.

13 (D) Whether or not the conclusions and  
14 interpretations in the documentation are consistent  
15 with the data submitted.

16 (4) To provide the Mandated Benefits Review Panel with  
17 sufficient information to carry out its duties and  
18 responsibilities pursuant to paragraph (3), persons proposing  
19 or opposing legislation mandating benefits coverage should  
20 submit documentation to the council, pursuant to the  
21 procedure established in paragraph (5), which demonstrates  
22 the following:

23 (i) The extent to which the proposed benefit and the  
24 services it would provide are needed by, available to and  
25 utilized by the population of the Commonwealth.

26 (ii) The extent to which insurance coverage for the  
27 proposed benefit already exists, or if no such coverage  
28 exists, the extent to which this lack of coverage results  
29 in inadequate health care or financial hardship for the  
30 population of the Commonwealth.

1 (iii) The demand for the proposed benefit from the  
2 public and the source and extent of opposition to  
3 mandating the benefit.

4 (iv) All relevant findings bearing on the social  
5 impact of the lack of the proposed benefit.

6 (v) Where the proposed benefit would mandate  
7 coverage of a particular therapy, the results of at least  
8 one professionally accepted, controlled trial comparing  
9 the medical consequences of the proposed therapy,  
10 alternative therapies and no therapy.

11 (vi) Where the proposed benefit would mandate  
12 coverage of an additional class of practitioners, the  
13 results of at least one professionally accepted,  
14 controlled trial comparing the medical results achieved  
15 by the additional class of practitioners and those  
16 practitioners already covered by benefits.

17 (vii) The results of any other relevant research.

18 (viii) Evidence of the financial impact of the  
19 proposed legislation, including at least:

20 (A) The extent to which the proposed benefit  
21 would increase or decrease cost for treatment or  
22 service.

23 (B) The extent to which similar mandated  
24 benefits in other states have affected charges, costs  
25 and payments for services.

26 (C) The extent to which the proposed benefit  
27 would increase the appropriate use of the treatment  
28 or service.

29 (D) The impact of the proposed benefit on  
30 administrative expenses of health care insurers.

1 (E) The impact of the proposed benefits on  
2 benefits costs of purchasers.

3 (F) The impact of the proposed benefits on the  
4 total cost of health care within the Commonwealth.

5 (5) The procedure for review of documentation is as  
6 follows:

7 (i) Any person wishing to submit information on  
8 proposed legislation mandating insurance benefits for  
9 review by the panel should submit the documentation  
10 specified in paragraph (4) to the council.

11 (ii) The council shall, within 30 days of receipt of  
12 the documentation:

13 (A) Publish in the Pennsylvania Bulletin notice  
14 of receipt of the documentation, a description of the  
15 proposed legislation, provision for a period of 60  
16 days for public comment and the time and place at  
17 which any person may examine the documentation.

18 (B) Submit copies of the documentation to the  
19 Secretary of Health and the Insurance Commissioner,  
20 who shall review and submit comments to the council  
21 on the proposed legislation within 30 days.

22 (C) Submit copies of the documentation to the  
23 panel, which shall review the documentation and issue  
24 their findings, pursuant to paragraph (3), within 90  
25 days.

26 (iii) Upon receipt of the comments of the Secretary  
27 of Health and the Insurance Commissioner and of the  
28 findings of the panel, pursuant to subparagraph (ii), but  
29 no later than 120 days following the publication required  
30 in subparagraph (ii), the council shall submit said

1           comments and findings, together with its recommendations  
2           respecting the proposed legislation, to the Governor, the  
3           President pro tempore of the Senate, the Speaker of the  
4           House of Representatives, the Secretary of Health, the  
5           Insurance Commissioner and the person who submitted the  
6           information pursuant to subparagraph (i).]

7           Section 2. The act is amended by adding a section to read:

8   Section 9.1. Mandated health benefits.

9           (a) Purpose.--The General Assembly hereby declares that  
10          proposals for mandated health insurance benefits should be  
11          accompanied by adequate, independently certified documentation  
12          defining the social and financial impact and medical efficacy of  
13          the proposal.

14          (b) Mandated benefit review report required.--A mandated  
15          benefit review report is required as follows:

16                  (1) No bill proposing a mandated health insurance  
17                  benefit shall be given second consideration in either the  
18                  Senate or the House of Representatives until the council has  
19                  submitted, pursuant to this section, a mandated benefits  
20                  review report.

21                  (2) No amendment, which concerns a mandated health  
22                  insurance benefit, to a bill shall be considered by either  
23                  the Senate or the House of Representatives until the council  
24                  has submitted, pursuant to this section, a mandated benefits  
25                  review report.

26                  (3) Requests for a mandated benefits review report for a  
27                  specific bill or amendment may be made by the President pro  
28                  tempore, the majority or minority leader, or a majority or  
29                  minority chairman of the Senate or the Speaker, the majority  
30                  or minority leader, or a majority or minority chairman of the

1 House of Representatives.

2 (4) The council shall submit to the General Assembly a  
3 mandated benefits review report within 120 days after a  
4 request for a report has been made to the council. Extensions  
5 may be granted, upon the request of the council, by the  
6 President pro tempore of the Senate or the Speaker of the  
7 House of Representatives, as appropriate.

8 (c) Council duties.--

9 (1) The council shall biannually contract with vendors  
10 qualified to review mandated health insurance benefit  
11 proposals pursuant to the selection procedures for vendors  
12 set forth in section 16. Contracted vendors shall be  
13 available for mandated benefit review requests for the  
14 duration of their contract and shall be paid on a per report  
15 basis.

16 (i) Qualified vendors shall demonstrate a capacity  
17 for health research, biostatistics, economic research and  
18 experience in insurance or actuarial research.  
19 Additionally, a qualified vendor shall have access to  
20 physicians or other experts with current medical  
21 knowledge of the subject being proposed as a mandated  
22 health insurance benefit.

23 (ii) Selected vendors shall, when called upon by the  
24 council, research and analyze the impact of a proposed  
25 mandated health insurance benefit. The vendor's analysis  
26 shall be factual, and shall, if possible, provide a  
27 reliable estimate of both the short-range and long-range  
28 costs and/or savings and effects of the proposed mandated  
29 health insurance benefit on the individual and group  
30 insurance markets in this Commonwealth. Additionally,

1 vendors shall analyze the proposed mandated health  
2 insurance benefit in terms of its impact on short-range  
3 and long-term quality of life indicators, such as  
4 predicted health outcomes, sustainable independent living  
5 and ability to enter or remain in the work force.

6 (2) The council shall receive mandated benefits review  
7 report requests from the Senate and the House of  
8 Representatives.

9 (i) Except as otherwise provided in subsection (b),  
10 upon receipt of such a request, the council shall contact  
11 a selected vendor to review the proposed mandated health  
12 insurance benefit.

13 (ii) If the proposed mandated health insurance  
14 benefit is substantially similar to a proposal for which  
15 a mandated benefits review report request was previously  
16 received by the council within the same legislative  
17 session, a separate report may not be required and the  
18 council may so inform the requester.

19 (3) The council shall, within 30 days of receipt of the  
20 request for a mandated benefits review report, published in  
21 the Pennsylvania Bulletin notice of receipt of a request for  
22 a mandated benefits review report, a description of the  
23 proposed legislation and a provision for a period of 60 days  
24 for public comment. Upon closing of the public comment  
25 period, the council shall:

26 (i) Submit copies of the documentation to the  
27 Secretary of Health and the Insurance Commissioner, who  
28 shall review and submit comments to the council on the  
29 proposed legislation within 30 days.

30 (ii) Submit copies of the documentation to the

1 selected vendor for their use in reviewing the proposed  
2 mandated health insurance benefit.

3 (4) Upon completion of the review by the selected vendor  
4 and expiration of the public comment period, the council  
5 shall formulate recommendations regarding the proposed  
6 mandated health insurance benefit based on the selected  
7 vendor's review and comments received from the Secretary of  
8 Health, the Insurance Commissioner and the public.

9 (5) The council shall submit a report to the General  
10 Assembly to contain their recommendations, the selected  
11 vendor's review and comments received from the Secretary of  
12 Health, the Insurance Commissioner and the public.

13 (d) Definitions.--As used in this section, the following  
14 words and phrases shall have the meanings given to them in this  
15 subsection:

16 "Mandated health insurance benefit." A statute that required  
17 a health care insurer and/or a health maintenance organization  
18 to provide health insurance coverage for any specified service  
19 or procedure or any specified health care provider or that  
20 requires a health care insurer or health maintenance  
21 organization to provide health insurance coverage in a specified  
22 manner or that prohibits a health insurer from providing health  
23 insurance coverage in a specified manner.

24 "Mandated health insurance report." A report that is issued  
25 by the council pursuant to subsection (c)(5).

26 Section 3. This act shall take effect January 1, 2009.