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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

**No. 128**      Session of  
2007

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INTRODUCED BY GREENLEAF, BOSCOLA, RAFFERTY, FONTANA, ERICKSON,  
WASHINGTON, BROWNE AND O'PAKE, MARCH 5, 2007

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REFERRED TO BANKING AND INSURANCE, MARCH 5, 2007

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AN ACT

1 Requiring the Insurance Department to develop various  
2 standardized basic health insurance plans that insurers may  
3 offer to individuals and small employers; and providing for  
4 the filing of rates by insurers and for disclosure statement.

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

7 Section 1. Short title.

8 This act shall be known and may be cited as the Basic Health  
9 Insurance Plans for Pennsylvanians Act.

10 Section 2. Statement of purpose.

11 The General Assembly recognizes the need for individuals,  
12 employers and other purchasers of health insurance coverage in  
13 this Commonwealth to have the opportunity to choose health  
14 insurance plans that are more affordable and flexible than  
15 existing market policies offering health insurance coverage.  
16 Therefore, the General Assembly seeks to increase the  
17 availability of health insurance coverage by having the  
18 Insurance Department develop several basic health insurance

1 plans which insurers may offer that, in whole or in part, do not  
2 offer or provide State-mandated health benefits.

3 Section 3. Definitions.

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

7 "Basic health insurance plans." One of ten standardized  
8 health insurance policies called "A" through "J" which the  
9 Insurance Department develops and insurers may offer to a  
10 qualified individual and small employer that, in whole or in  
11 part, do not offer or provide State-mandated health benefits.

12 "Commissioner." The Insurance Commissioner of the  
13 Commonwealth.

14 "Department." The Insurance Department of the Commonwealth.

15 "Dependent child." A natural or adopted child of an  
16 employee. The term includes a stepchild who resides in an  
17 employee's household if the employee has assumed the financial  
18 responsibility for the child and another parent is not legally  
19 responsible for the support and medical expenses of the child.

20 "Eligible dependent." A spouse of an employee and a  
21 dependent child who is under 19 years of age.

22 "Insurer." An insurer, health maintenance organization,  
23 fraternal benefit society, hospital plan or health services plan  
24 corporation that offers basic small group insurance plans to  
25 small employers.

26 "Qualified individual." A person employed by a small  
27 employer who is an active employee or eligible dependent or who  
28 is self-employed.

29 "Small employer." A person, firm, corporation, partnership  
30 or association that employed, on at least 50% of its working

1 days during the preceding year, at least two but not more than  
2 100 employees.

3 Section 4. Basic health insurance plans.

4 (a) Development of standard plans.--The department shall  
5 develop ten standard basic health insurance plans named "A"  
6 through "J" that insurers may offer to a qualified individual  
7 and small employer.

8 (b) Waiver of State mandates.--No law requiring the coverage  
9 of a health care benefit or service or requiring the  
10 reimbursement, utilization or inclusion of a specific category  
11 of licensed health care practitioners shall apply to basic  
12 health insurance plans delivered or issued for delivery in this  
13 Commonwealth.

14 (c) Benefit plans.--In developing the ten standard basic  
15 health insurance plans, the department must ensure that each  
16 standardized plan covers basic or core benefits and has a  
17 different set of benefits. All plans with the same letter shall  
18 cover the same benefits. Plan A shall cover only the basic or  
19 core benefits and Plan J shall cover the most benefits.

20 (d) Copayment and deductibles.--The department may establish  
21 a copayment or deductible for each of the basic health insurance  
22 plans.

23 Section 5. Offering and rate filing of basic health insurance  
24 plans.

25 (a) Offering.--Insurers may offer, as an option, one or more  
26 of the basic health insurance plans developed by the department  
27 to a qualified individual and small employer.

28 (b) Filing.--Insurers must file their rates with the  
29 department for approval by the commissioner for each basic  
30 health insurance plan that they intend to deliver or issue for

1 delivery to any qualified individual and small employer in this  
2 Commonwealth.

3 (c) Additional coverage.--Insurers may offer benefits in  
4 addition to those offered under the basic health insurance plans  
5 and charge an additional premium accordingly.

6 Section 6. Disclosure statement.

7 (a) Written disclosure.--When an insurer issues a basic  
8 health insurance plan policy, the insurer shall provide an  
9 applicant or subscriber of the basic health insurance plan with  
10 a written disclosure statement in a form and manner required by  
11 rule or regulation promulgated by the commissioner that:

12 (1) Acknowledges that the basic health insurance plan  
13 being purchased does not provide some or all State-mandated  
14 health benefits.

15 (2) Lists those State-mandated health benefits not  
16 included under the basic health insurance plan.

17 (3) Includes a section that allows for a signature by  
18 the applicant or subscriber attesting to the fact that the  
19 applicant or subscriber has read and understood the  
20 disclosure statement.

21 (b) Return of disclosure.--

22 (1) Each applicant and subscriber for initial coverage  
23 of a basic health insurance plan must sign the disclosure  
24 statement provided by the insurer under subsection (a) and  
25 return the statement to the insurer.

26 (2) Under a group policy or contract, the term  
27 "applicant" means the employer and the term "subscriber"  
28 means the employee. Under an individual policy or contract  
29 "applicant" means the individual purchasing the policy.

30 (c) Record retention.--An insurer must:

1           (1) Retain the signed disclosure statement in the  
2 insurer's records.

3           (2) Provide the signed disclosure statement to the  
4 department upon the request from the commissioner.

5 Section 7. Additional policies.

6       An insurer that offers one or more basic health insurance  
7 plans to a qualified individual and small employer must also  
8 offer at least one health insurance policy that has been filed  
9 and approved with the department and includes coverage for all  
10 State-mandated health benefits. A small employer that offers a  
11 basic health insurance plan to its eligible employees must offer  
12 at least one health insurance policy that includes coverage for  
13 all State-mandated health benefits that has been filed and  
14 approved by the department.

15 Section 8. Regulations.

16       The commissioner shall promulgate any rules and regulations  
17 necessary to implement the provisions of this act.

18 Section 9. Effective date.

19       This act shall take effect in 60 days.