
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 117 Session of
2017

INTRODUCED BY KAUFER, READSHAW, FEE, DRISCOLL, TAYLOR, MURT,
MILLARD, RADER, KAVULICH, DAVIS, MULLERY, STAATS, BAKER,
McNEILL, WATSON, BOBACK, SIMMONS, SAYLOR, CUTLER AND COOK,
FEBRUARY 1, 2017

REFERRED TO COMMITTEE ON INSURANCE, FEBRUARY 1, 2017

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2 Statutes, in regulation of insurers and related persons
3 generally, providing for mental health parity and addiction
4 treatment.

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

7 Section 1. Title 40 of the Pennsylvania Consolidated
8 Statutes is amended by adding a chapter to read:

9 CHAPTER 39

10 MENTAL HEALTH PARITY

11 AND ADDICTION TREATMENT

12 Sec.

13 3901. Scope of chapter.

14 3902. Definitions.

15 3903. Reporting by insurer.

16 3904. Collection of information and report by department.

17 3905. Subsequent review and report.

18 3906. Identifying information.

1 3907. Regulations.

2 3908. Expenses.

3 § 3901. Scope of chapter.

4 This chapter relates to the collection and reporting of
5 statistics regarding addiction treatment services provided under
6 health plans and insurance policies, contracts and certificates.

7 § 3902. Definitions.

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

11 "Adverse benefit determination." As defined under the
12 Patient Protection and Affordable Care Act (Public Law 111-148,
13 124 Stat. 119) and its implementing regulations.

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

15 "Insurer." An entity that issues or administers health
16 insurance policies or health plans and is subject to the
17 jurisdiction of the department. The term includes an entity
18 organized or existing under or subject to any of the following:

19 (1) The act of May 17, 1921 (P.L.682, No.284), known as
20 The Insurance Company Law of 1921.

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

23 (3) The act of May 18, 1976 (P.L.123, No.54), known as
24 the Individual Accident and Sickness Insurance Minimum
25 Standards Act.

26 (4) Chapter 61 (relating to hospital plan corporations)
27 or 63 (relating to professional health services plan
28 corporations).

29 "MHPAEA." The Paul Wellstone and Pete Domenici Mental Health
30 Parity and Addiction Equity Act of 2008 (Public Law 110-343, 122

1 Stat. 3765).

2 § 3903. Reporting by insurer.

3 On or before January 1 of each year, an insurer shall provide
4 the following information to the department:

5 (1) The total number of the insurer's insureds and plan
6 members.

7 (2) The total number of the insurer's insureds and plan
8 members receiving covered addiction treatment.

9 (3) The addiction treatment covered by each plan or
10 policy, broken down by:

11 (i) Types of treatment.

12 (ii) Levels of care.

13 (iii) The average length of stay or units of service
14 within each level of care.

15 (iv) The number of adverse benefit determinations,
16 broken down by types of treatment and levels of care.

17 (v) For each type of treatment and level of care,
18 the percentage of claims and authorization or
19 preauthorization requests that are the subject of adverse
20 benefit determinations.

21 § 3904. Collection of information and report by department.

22 (a) Information and report.--The department shall collect
23 the information gathered under section 3903 (relating to
24 reporting by insurer) and prepare a report containing the
25 information no later than July 1 of each year or as soon as
26 practicable.

27 (b) Dissemination of information.--The information and
28 report under subsection (a) shall be:

29 (1) Made available on the department's publicly
30 accessible Internet website.

1 (2) Provided to the Department of Drug and Alcohol
2 Programs for the purposes under section 3905 (relating to
3 subsequent review and report).

4 § 3905. Subsequent review and report.

5 (a) Review.--The Department of Drug and Alcohol Programs,
6 working in consultation with the department, shall review the
7 annual report under section 3904 (relating to collection of
8 information and report by department) to determine general
9 compliance by insurers regarding:

10 (1) MHPAEA and Federal guidelines or regulations issued
11 under MHPAEA, including the following, together with any
12 subsequent regulations and interim final rules implementing
13 MHPAEA:

14 (i) 26 CFR § 54.9812-1 (relating to parity in mental
15 health and substance use disorder benefits).

16 (ii) 29 CFR § 2590.712 (relating to parity in mental
17 health and substance use disorder benefits).

18 (iii) 42 CFR § 438.910 (relating to parity
19 requirements for financial requirements and treatment
20 limitations).

21 (iv) 42 CFR § 457.496 (relating to parity in mental
22 health and substance use disorder benefits).

23 (v) 45 CFR § 146.136 (relating to parity in mental
24 health and substance use disorder benefits).

25 (2) Section 604-B of the act of May 17, 1921 (P.L.682,
26 No.284), known as The Insurance Company Law of 1921.

27 (b) Report.--After its review under subsection (a), the
28 Department of Drug and Alcohol Programs shall submit a report of
29 findings to:

30 (1) The chairperson and minority chairperson of the

1 Public Health and Welfare Committee of the Senate.

2 (2) The chairperson and minority chairperson of the
3 Human Services Committee of the House of Representatives.

4 (c) Dissemination of report.--The Department of Drug and
5 Alcohol Programs shall make the report under subsection (b)
6 available on its publicly accessible Internet website.

7 § 3906. Identifying information.

8 (a) Duty of insurer.--An insurer shall take all necessary
9 steps to ensure that no identifying information regarding a
10 specific insured or plan member is made available to the
11 department, the Department of Drug and Alcohol Programs or the
12 public when carrying out the reporting obligations of this
13 chapter.

14 (b) Duty of departments.--The department and the Department
15 of Drug and Alcohol Programs shall take all necessary steps to
16 ensure that no identifying information regarding a specific
17 insured or plan member is made available to the other department
18 or the public when carrying out the requirements of this
19 chapter.

20 § 3907. Regulations.

21 The department shall promulgate regulations necessary to
22 implement this chapter.

23 § 3908. Expenses.

24 All expenses incurred in carrying out the collection, review
25 and reporting activities under this chapter, including the
26 expenses of the department and the Department of Drug and
27 Alcohol Programs regarding employees and any other professionals
28 or specialists retained in connection with these activities,
29 shall be charged to and paid by the insurer that is the subject
30 of the collection, review or reporting.

1 Section 2. All acts or parts of acts are repealed insofar as
2 they are inconsistent with 40 Pa.C.S. Ch. 39.

3 Section 3. This act shall take effect immediately.