

Bill Summary

COMMITTEE: Banking and Insurance

DATE: 1/22/10

PRIME SPONSOR: D. White

BILL NO: SB1112

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A. Synopsis:

SB1112 provides the Pennsylvania Insurance Department with enforcement authority over insurers' compliance with the Wellstone/Domenici Federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), the Genetic Information Non-Discrimination Act (GINA), and Michelle's Law.

This amends the federal Public Health Service Act (PHSA), which governs health insurers. If a state fails to implement this legislation, enforcement overrides the state and reverts directly to the federal HHS.

If an insurer violates this act, the Commissioner may suspend or refuse to renew a license, enter a cease and desist order, impose a civil penalty of \$5,000 maximum per violation, and/or impose a civil penalty of \$10,000 maximum for each action in willful violation. Penalties shall not exceed \$500,000.

The Insurance Department may promulgate necessary or appropriate regulations to carry out this act.

This act will take effect immediately.

B. Summary of existing law:

MHPAEA mandates that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant financial requirements or treatment limitations applied to most all medical and surgical benefits covered by the plan.

GINA prohibits discrimination in premiums or contribution amounts on the basis of genetic information of a covered individual or family member.

Michelle's Law protects dependent children at postsecondary education institutions who must take a leave of absence for medically necessary reasons, and who would lose student status for purposes of coverage under the plan.