
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 878 Session of
2023

INTRODUCED BY TARTAGLIONE, DILLON, KANE, COLEMAN, FONTANA,
SCHWANK AND COSTA, AUGUST 16, 2023

REFERRED TO BANKING AND INSURANCE, AUGUST 16, 2023

AN ACT

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

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 42

10 ADDICTION TREATMENT SERVICES INFORMATION

11 COLLECTION AND REPORTING

12 Sec.

13 4201. Scope of chapter.

14 4202. Definitions.

15 4203. Reporting by insurer.

16 4204. Collection of information and report by department.

17 4205. Subsequent review and report.

18 4206. Identifying information.

19 4207. Regulations.

1 4208. Expenses.

2 § 4201. Scope of chapter.

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

7 § 4202. 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 "Addiction treatment." Treatment provided in or by a
12 facility licensed by the Department of Drug and Alcohol
13 Programs.

14 "Adverse benefit determination." As follows:

15 (1) A denial, reduction or termination of, or a failure
16 to provide or make payment in whole or in part for, a
17 benefit.

18 (2) The term includes any of the following:

19 (i) A denial, reduction, termination or failure to
20 provide or make payment that is based on a determination
21 of a participant's or beneficiary's eligibility to
22 participate in a plan.

23 (ii) With respect to group health plans, a denial,
24 reduction or termination of, or a failure to provide or
25 make payment in whole or in part for, a benefit resulting
26 from the application of any utilization review.

27 (iii) A failure to cover an item or service for
28 which benefits are otherwise provided because it is
29 determined to be experimental or investigational or not
30 medically necessary or appropriate.

1 "Insurer." As follows:

2 (1) An entity that issues or administers health
3 insurance policies or health plans and is subject to the
4 jurisdiction of the department.

5 (2) The term includes an entity organized or existing
6 under, or subject to, any of the following:

7 (i) The act of May 17, 1921 (P.L.682, No.284), known
8 as The Insurance Company Law of 1921.

9 (ii) The act of December 29, 1972 (P.L.1701,
10 No.364), known as the Health Maintenance Organization
11 Act.

12 (iii) The act of May 18, 1976 (P.L.123, No.54),
13 known as the Individual Accident and Sickness Insurance
14 Minimum Standards Act.

15 (iv) Chapter 61 (relating to hospital plan
16 corporations) or 63 (relating to professional health
17 services plan corporations).

18 "MHPAEA." The Paul Wellstone and Pete Domenici Mental Health
19 Parity and Addiction Equity Act of 2008 (Public Law 110-343, 122
20 Stat. 3765).

21 "Review." A utilization review, authorization,
22 preauthorization, concurrent review, retrospective review or
23 audit with respect to a benefit and any other process that
24 results or could result in an adverse benefit determination.

25 § 4203. Reporting by insurer.

26 On or before April 30 of each year, an insurer shall provide
27 a report containing the following information to the department
28 for the preceding calendar year:

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

1 (2) The total number of the insurer's insureds and plan
2 members who received addiction treatment covered or
3 authorized by the insurer and by any subcontractor acting on
4 behalf of the insurer.

5 (3) For each product line, the units of addiction
6 treatment authorized by the insurer and its subcontractors,
7 broken down by treatment setting, including inpatient
8 hospital detoxification, inpatient hospital rehabilitation,
9 inpatient nonhospital detoxification, inpatient nonhospital
10 residential, partial hospitalization and outpatient.

11 (4) For each product line, the units of addiction
12 treatment reimbursed or otherwise paid for by the insurer and
13 its subcontractors, broken down by treatment setting,
14 including inpatient hospital detoxification, inpatient
15 hospital rehabilitation, inpatient nonhospital
16 detoxification, inpatient nonhospital residential, partial
17 hospitalization and outpatient.

18 (5) For each product line, the average length of stay or
19 units of service for each treatment setting, including
20 inpatient hospital detoxification, inpatient hospital
21 rehabilitation, inpatient nonhospital detoxification,
22 inpatient nonhospital residential, partial hospitalization
23 and outpatient.

24 (6) For each product line, the number and percentage of
25 reviews conducted by the insurer and its subcontractors, the
26 number and percentage of reviews conducted by the insurer and
27 its subcontractors that resulted in denials and the number
28 and percentage of reviews conducted by the insurer and its
29 subcontractors that resulted in other adverse benefit
30 determinations, other than denials, for each of the

1 following:

2 (i) Inpatient hospital detoxification for alcohol
3 and drug addiction.

4 (ii) Inpatient hospital rehabilitation for alcohol
5 and drug addiction.

6 (iii) Inpatient nonhospital detoxification for
7 alcohol and drug addiction.

8 (iv) Inpatient nonhospital residential for alcohol
9 and drug addiction.

10 (v) Partial hospitalization for alcohol and drug
11 addiction.

12 (vi) Outpatient services for alcohol and drug
13 addiction.

14 (vii) Medical or surgical services.

15 § 4204. Collection of information and report by department.

16 The information and report under section 4203 (relating to
17 reporting by insurer) shall be:

18 (1) Made available on the department's publicly
19 accessible Internet website.

20 (2) Provided to the Department of Drug and Alcohol
21 Programs for the purposes under section 4205 (relating to
22 subsequent review and report).

23 § 4205. Subsequent review and report.

24 (a) Review.--The Department of Drug and Alcohol Programs,
25 working in consultation with the department, shall review the
26 annual report under section 4203 (relating to reporting by
27 insurer) to determine general compliance by insurers regarding:

28 (1) MHPAEA and Federal guidelines or regulations issued
29 under MHPAEA, including the following, together with any
30 subsequent regulations and interim final rules implementing

1 MHPAEA:

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

4 (ii) 29 CFR 2590.712 (relating to parity in mental
5 health and substance use disorder benefits).

6 (iii) 42 CFR 438.910 (relating to parity
7 requirements for financial requirements and treatment
8 limitations).

9 (iv) 42 CFR 457.496 (relating to parity in mental
10 health and substance use disorder benefits).

11 (v) 45 CFR 146.136 (relating to parity in mental
12 health and substance use disorder benefits).

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

15 (b) Report.--After review under subsection (a), the
16 Department of Drug and Alcohol Programs shall submit a report of
17 findings to:

18 (1) The chairperson and minority chairperson of the
19 Health and Human Services Committee of the Senate.

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

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

25 § 4206. Identifying information.

26 (a) Duty of insurer.--An insurer shall take all necessary
27 steps to ensure that no identifying information regarding a
28 specific insured or plan member is made available to the
29 department, the Department of Drug and Alcohol Programs or the
30 public when carrying out the reporting obligations of this

1 chapter.

2 (b) Duty of departments.--The department and the Department
3 of Drug and Alcohol Programs shall take all necessary steps to
4 ensure that no identifying information regarding a specific
5 insured or plan member is made available to the other department
6 or the public when carrying out the requirements of this
7 chapter.

8 § 4207. Regulations.

9 The department shall promulgate regulations necessary to
10 implement this chapter.

11 § 4208. Expenses.

12 All expenses incurred in carrying out the collection, review
13 and reporting activities under this chapter, including the
14 expenses of the department and the Department of Drug and
15 Alcohol Programs regarding employees and any other professionals
16 or specialists retained in connection with these activities,
17 shall be charged to and paid by the insurer that is the subject
18 of the collection, review or reporting.

19 Section 2. All acts or parts of acts are repealed insofar as
20 they are inconsistent with the addition of 40 Pa.C.S. Ch. 42.

21 Section 3. This act shall take effect immediately.