



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1867

PRINTER'S NO. 3054

PRIME SPONSOR: Venkat

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
Insurance Regulation and Oversight Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

House Bill 1867, Printer's Number 3054 establishes requirements for payments from health insurers to health care providers.

ANALYSIS:

This legislation amends Title 40 (Insurance) of the Pennsylvania Consolidated Statutes by adding Chapter 47 (Payment Choice) to establish requirements for payments from health insurers to health care providers. Health insurers, or their contracted vendors, may not restrict the method of payment to participating health care providers so that the only payment method is by credit card. If the health insurer initiates or changes payment to a health care provider using an electronic funds transfer (EFT), which includes credit card payments, then the health insurer must advise the health care provider of all available payment methods, notify the health care provider that fees imposed by the health insurer may apply to EFT payments and provide information on the amount of the fees charged, provide instructions on selecting a payment method, and not charge a fee solely to transmit the payment to the health care provider.

Violation of these requirements may result in fines or penalties imposed by the Department of Insurance. Penalties and fines include a fine of not more than \$5,000 for each violation, and a fine of not more than \$10,000 for each willful violation. The legislation imposes limits on the total amount of fines that can be assessed against an individual insurer (\$500,000) or against any other person subject to these requirements (\$100,000) within a single calendar year.

This legislation will take effect in 60 days and will apply to contracts offered, entered, issued or renewed after the effective date.

FISCAL IMPACT:

The Department of Insurance oversees the health insurers' compliance with requirements included in Title 40. Additionally, the department investigates any potential compliance issues and, if necessary, would impose any resulting penalties and fines, as included in this legislation. The department does not currently anticipate any increase in administrative costs due to the payment method requirements.

The collection of penalties and fines by the department may result in increased revenue received by the commonwealth for the Insurance Regulation and Oversight Fund. However, the number of health insurers that would be found to be out of compliance with these requirements and have fines assessed is unknown at this time. Therefore, any increased revenue to the commonwealth, as a result of fines imposed by this legislation is currently indeterminate.

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House Appropriations Committee (D)

DATE: June 4, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.