



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2564

PRINTER'S NO. 3600

PRIME SPONSOR: Haddock

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
Insurance Regulation and Oversight Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

This legislation prohibits health insurance companies from imposing any rules for initial or continued eligibility for individuals having a preexisting condition.

ANALYSIS:

House Bill 2564, Printer's Number 3600, known as the Health Insurance Access Protection Act, prohibits a health insurance company from imposing rules for initial or continued eligibility for individuals with preexisting conditions. The health insurance company may not exclude or deny coverage for any benefit provided for in the enrollee's health insurance policy based on the enrollee's preexisting condition.

A health insurance company offering, issuing, or renewing individual, or group health insurance policies may not require an individual that has a preexisting condition to pay a rate for their health insurance that is greater than the rate paid by similar individuals with a preexisting condition which are enrolled into that health insurance policy.

The Department of Insurance may promulgate regulations as may be necessary and appropriate to carry out the provisions of this legislation.

Health insurance companies that are found to have violated the requirements in this legislation may have a fine imposed at the Insurance Commissioner's discretion. Fines may be assessed for not more than \$5,000 for each violation and \$10,000 for each willful violation. Fines imposed may not exceed \$500,000 in aggregate during a single calendar year against an individual insurer, and \$100,000 in aggregate during a single calendar year against any other person subject to this legislation.

The Insurance Commissioner will transmit notice to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin if the United States Congress repeals federal regulations that prohibit annual or lifetime limits, a court of the United States abrogates, vacates, or invalidates these federal regulations or if the executive branch of the United States refuses to enforce or repeals these federal regulations.

The requirements for the Insurance Commissioner to transmit notice takes effect immediately upon enactment of this legislation. The remainder of the legislation takes effect upon publication of that notice.

FISCAL IMPACT:

The Department of Insurance oversees the health insurance companies' compliance with requirements included in this legislation. Additionally, the department investigates any potential compliance issues and, if necessary, would impose any resulting fines. The department does not currently anticipate any increase in administrative costs due to the requirements in this legislation. The appropriation that funds administrative costs incurred by the department is funded through the Insurance Regulation and Oversight Fund.

The collection of fines imposed by the department, as provided for in this legislation, may result in increased revenue received by the commonwealth. Revenue resulting from fines paid by health insurance companies is deposited into the Insurance Regulation and Oversight Fund. An increase in revenue received by the department due to the additional fines imposed and the payment of those fines would increase the balance in this Fund. However, the number of health insurance companies that would be found to be out of compliance with these requirements and have fines imposed by the department is unknown at this time. Therefore, any increased revenue to the commonwealth is indeterminate.

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House Appropriations Committee (D)

DATE: October 9, 2024

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