

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2234 Session of 2024

INTRODUCED BY KIM, SCHLOSSBERG, HILL-EVANS, SANCHEZ, KOSIEROWSKI, HANBIDGE, HOWARD, MALAGARI, HADDOCK, CEPEDA-FREYTIZ, McANDREW, ABNEY, GIRAL, WARREN, VENKAT, T. DAVIS, KHAN, GUENST, SHUSTERMAN, MAYES, SIEGEL, CERRATO, SCOTT, PARKER, BOYD AND BRENNAN, APRIL 24, 2024

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 6, 2024

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2 Statutes, in preliminary provisions relating to health
3 insurance markets oversight, further providing for
4 definitions; and, in State-based exchange, further providing <--
5 for powers and duties of exchange authority; AND, IN <--
6 REINSURANCE PROGRAM, FURTHER PROVIDING FOR APPLICATION.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Section 9103 of Title 40 of the Pennsylvania
10 Consolidated Statutes is amended by adding a definition to read:

11 § 9103. Definitions.

12 Subject to additional definitions contained in subsequent
13 provisions of this part which are applicable to specific
14 provisions of this part, the following words and phrases when
15 used in this part shall have the meanings given to them in this
16 section unless the context clearly indicates otherwise:

17 "Affordability assistance program." The affordability
18 assistance program implemented by the exchange authority under

1 section 9305(b)(6) (relating to powers and duties of exchange  
2 authority).

3 \* \* \*

4 Section 2. Section 9305(b)(4) and (5) of Title 40 are  
5 amended and the subsection is amended by adding a paragraph to  
6 read:

7 § 9305. Powers and duties of exchange authority.

8 \* \* \*

9 (b) Programmatic duties.--The exchange authority shall  
10 perform all duties necessary or appropriate to advance its  
11 purpose, including the following:

12 \* \* \*

13 (4) Assess and collect fees from on-exchange insurers to  
14 support the operation of the exchange under this chapter and  
15 either the reinsurance program established under section  
16 9502(b) (relating to implementation of waiver and  
17 establishment of reinsurance program) or an affordability  
18 assistance program as described in paragraph (6), or both,  
19 except that the exchange authority may not assess or collect  
20 any form of obligation other than an exchange user fee on  
21 total monthly premiums for on-exchange policies and unless  
22 approved by unanimous consent of the board, the fee may not  
23 exceed 3% of total monthly premiums for on-exchange policies.  
24 In no case may the fee exceed 3.5%.

25 (5) Disburse receipted fees, including to benefit [the  
26 reinsurance program established under section 9502(b).]:

27 (i) the reinsurance program established under  
28 section 9502(b);

29 (ii) an affordability assistance program in plan  
30 year 2025 as described in paragraph (6), provided that

1 the commissioner determines that alternative funds are  
2 available to fund the reinsurance program in a manner  
3 that satisfies the requirements of the Commonwealth's  
4 innovation waiver in accordance with section 1332 of the  
5 Affordable Care Act and transmits notice of the  
6 determination to the Legislative Reference Bureau for  
7 publication in the next available issue of the  
8 Pennsylvania Bulletin; or

9 (iii) both the reinsurance program under  
10 subparagraph (i) and an affordability assistance program  
11 under subparagraph (ii).

12 (6) Implement an affordability assistance program in  
13 plan year 2025 to provide a net positive financial impact to  
14 consumers of on-exchange qualified plans in this  
15 Commonwealth. The following apply:

16 (i) The affordability assistance program shall be  
17 designed to incentivize enrollment in on-exchange  
18 policies based on income or other eligibility criteria.

19 (ii) The provision of money or benefits accrued  
20 through the affordability assistance program may not  
21 constitute an entitlement derived from the Commonwealth  
22 or a claim on any other money of the Commonwealth.

23 (iii) The affordability assistance program shall be  
24 subject to all provisions of this chapter pertaining to  
25 the operations of the exchange authority and the exchange  
26 fund, including sections 9310 (relating to audits) and  
27 9311 (relating to reports).

28 \* \* \*

29 SECTION 3. SECTION 9501(A) OF TITLE 40 IS AMENDED TO READ: <--  
30 § 9501. APPLICATION.

1 (A) APPLICATION.--THE DEPARTMENT [IS AUTHORIZED TO] SHALL  
2 APPLY TO THE UNITED STATES SECRETARY OF HEALTH AND HUMAN  
3 SERVICES UNDER SECTION 1332 OF THE AFFORDABLE CARE ACT (PUBLIC  
4 LAW 111-148, 42 U.S.C. § 18052) FOR A STATE INNOVATION WAIVER  
5 TO:

6 (1) WAIVE ANY APPLICABLE PROVISIONS OF THE AFFORDABLE  
7 CARE ACT WITH RESPECT TO HEALTH INSURANCE COVERAGE IN THIS  
8 COMMONWEALTH.

9 (2) ESTABLISH A REINSURANCE PROGRAM IN ACCORDANCE WITH  
10 AN APPROVED WAIVER.

11 (3) MAXIMIZE FEDERAL FUNDING FOR THE REINSURANCE PROGRAM  
12 FOR PLAN YEARS BEGINNING ON OR AFTER IMPLEMENTATION OF THE  
13 PROGRAM.

14 \* \* \*

15 Section 3 4. This act shall take effect immediately.

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