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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2262 Session of  
2015

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INTRODUCED BY QUINN, ADOLPH, DUNBAR, GROVE, PHILLIPS-HILL,  
MASSER, MILNE AND WARD, JULY 13, 2016

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REFERRED TO COMMITTEE ON INSURANCE, JULY 13, 2016

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AN ACT

1 Providing for an audit of dependent eligibility in group health  
2 insurance plans for State employees.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the State  
7 Employee Group Health Plan Dependent Eligibility Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall  
10 have the meanings given to them in this section unless the  
11 context clearly indicates otherwise:

12 "Dependent eligibility audit." An audit conducted to assess  
13 and verify the eligibility of dependents to a health plan.

14 "Health plan." A group health insurance plan offered by a  
15 health plan coordinator to an employee of the Commonwealth.

16 "Health plan coordinator." All of the following:

17 (1) The Pennsylvania Employee Benefit Trust Fund.

18 (2) The Senate Committee on Management Operations.

1           (3) The Bipartisan Management Committee of the House of  
2       Representatives.

3           (4) The Administrative Office of Pennsylvania Courts.  
4       Section 3. Dependent eligibility audit.

5       (a) Request for proposals.--Each health plan coordinator  
6       shall issue a request for proposals for performance of a  
7       dependent eligibility audit. The request for proposals shall  
8       require the lowest responsible bidder to:

9           (1) Conduct the dependent eligibility audit using a  
10       document model for the health plan.

11          (2) Verify eligible dependents covered by the health  
12       plan and report the findings to the health plan coordinator.

13          (3) Implement a process for ongoing eligibility  
14       verification following the conclusion of the dependent  
15       eligibility audit.

16          (4) Assign eligibility advocates to assist employees  
17       through the verification process.

18       (b) Ineligibility.--A benefit consultant currently employed  
19       by the health plan coordinator for a period in excess of two  
20       years shall be ineligible to submit a proposal and may not be  
21       awarded the contract.

22       (c) Contract.--Each health plan coordinator shall enter into  
23       a contract with the lowest responsible bidder within one year of  
24       the effective date of this section. The contract may incorporate  
25       a flat fee per dependent or performance-based payment schedule  
26       that compensates the contractor based on the amount of savings  
27       generated by the services performed under the contract.

28       Section 4. Limitation of termination of dependent coverage.

29       No health plan coordinator may terminate the coverage of a  
30       dependent in the health plan as a result of a failure to submit

1 documentation required under the dependent eligibility audit  
2 unless:

3 (1) At least 30 days before the proposed termination of  
4 coverage, the health plan coordinator notifies the health  
5 plan member by mail of:

6 (i) Each type of required documentation that has not  
7 been submitted.

8 (ii) The name, telephone number and e-mail address  
9 of a contact person of the health plan coordinator whom  
10 the health plan member may contact regarding the  
11 termination of the dependent's coverage.

12 (iii) The procedure the health plan member must  
13 follow to appeal a finding that a dependent is ineligible  
14 to continue coverage in the health plan.

15 (2) If a health plan member demonstrates that it is  
16 impractical to submit the required documentation, the health  
17 plan coordinator provides the health plan member an  
18 alternative compliance method that the health plan  
19 coordinator has determined is a reasonable manner of proving  
20 eligible dependent status and the health plan member has not  
21 submitted the necessary documents required under the  
22 alternative method.

23 Section 5. Report to General Assembly.

24 Within 90 days of the completion of a dependent eligibility  
25 audit conducted in accordance with this act, the health plan  
26 coordinator shall submit a report to the Appropriations  
27 Committee of the Senate and the Appropriations Committee of the  
28 House of Representatives that includes a fiscal analysis and the  
29 amount of savings realized to the Commonwealth as a result of  
30 the dependent eligibility audit.

1 Section 6. Effective date.

2 This act shall take effect in 60 days.