

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 196 Session of 2021

INTRODUCED BY J. WARD, BLAKE, TARTAGLIONE, BROOKS, COMITTA, SCHWANK, MENSCH, KANE, AUMENT AND HAYWOOD, FEBRUARY 10, 2021

REFERRED TO BANKING AND INSURANCE, FEBRUARY 10, 2021

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An  
 2 act relating to insurance; amending, revising, and  
 3 consolidating the law providing for the incorporation of  
 4 insurance companies, and the regulation, supervision, and  
 5 protection of home and foreign insurance companies, Lloyds  
 6 associations, reciprocal and inter-insurance exchanges, and  
 7 fire insurance rating bureaus, and the regulation and  
 8 supervision of insurance carried by such companies,  
 9 associations, and exchanges, including insurance carried by  
 10 the State Workmen's Insurance Fund; providing penalties; and  
 11 repealing existing laws," in casualty insurance, providing  
 12 for cost-sharing calculation.

13 The General Assembly of the Commonwealth of Pennsylvania  
 14 hereby enacts as follows:

15 Section 1. The act of May 17, 1921 (P.L.682, No.284), known  
 16 as The Insurance Company Law of 1921, is amended by adding a  
 17 section to read:

18 Section 631.2. Cost-Sharing Calculation.--(a) When  
 19 calculating an insured's contribution to an applicable cost-  
 20 sharing requirement under a health insurance policy:

21 (1) The insurer shall include any cost-sharing amounts paid  
 22 by the insured or on behalf of the insured by another person.

23 (2) A pharmacy benefits manager that administers pharmacy

1 benefits for the insurer shall include any cost-sharing amounts  
2 paid by the insured or on behalf of the insured by another  
3 person.

4 (b) This section shall apply to a health insurance policy  
5 issued or entered into or renewed on or after the effective date  
6 of this section.

7 (c) As used in this section:

8 "Cost sharing" means the cost to an individual insured under  
9 a health insurance policy according to a coverage limit,  
10 copayment, coinsurance, deductible or other out-of-pocket  
11 expense requirements imposed by the policy, contract or  
12 agreement.

13 "Covered entity" means a contract holder or policy holder  
14 providing pharmacy benefits to a covered individual under a  
15 health insurance policy pursuant to a contract administered by a  
16 pharmacy benefits manager.

17 "Health insurance policy" means:

18 (1) An individual or group health, sickness or accident  
19 policy, or subscriber contract or certificate offered, issued or  
20 renewed by an entity subject to one of the following:

21 (i) This act.

22 (ii) The act of December 29, 1972 (P.L.1701, No.364), known  
23 as the "Health Maintenance Organization Act."

24 (iii) 40 Pa.C.S. Ch. 61 (relating to hospital plan  
25 corporations) or 63 (relating to professional health services  
26 plan corporations).

27 (2) The term does not include accident only, fixed  
28 indemnity, limited benefit, credit, dental, vision, specified  
29 disease, Medicare supplement, Civilian Health and Medical  
30 Program of the Uniformed Services (CHAMPUS) supplement, long-

1 term care or disability income, workers' compensation or  
2 automobile medical payment insurance.

3 "Pharmacy benefits manager" or "PBM" means a person, business  
4 or other entity that performs pharmacy benefits management for  
5 covered entities.

6 Section 2. This act shall take effect in 60 days.