
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 877 Session of
2023

INTRODUCED BY KANE, TARTAGLIONE, DILLON, FONTANA AND COSTA,
AUGUST 16, 2023

REFERRED TO BANKING AND INSURANCE, AUGUST 16, 2023

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2 Statutes, in regulation of insurers and related persons
3 generally, providing for disclosure of addiction treatment
4 coverage and for administrative penalties.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Title 40 of the Pennsylvania Consolidated
8 Statutes is amended by adding a chapter to read:

9 CHAPTER 41

10 DISCLOSURE OF ADDICTION TREATMENT COVERAGE

11 Sec.

12 4101. Purpose of chapter.

13 4102. Definitions.

14 4103. Bi-annual notice.

15 4104. Administrative penalties.

16 4105. Applicability.

17 § 4101. Purpose of chapter.

18 The purpose of this chapter is to require the complete and
19 proper disclosure and transparency of addiction services covered

1 by policies issued to policy holders.

2 § 4102. Definitions.

3 The following words and phrases when used in this chapter
4 shall have the meanings given to them in this section unless the
5 context clearly indicates otherwise:

6 "Insurer." As follows:

7 (1) An entity that issues or administers health
8 insurance policies or health plans and is subject to the
9 jurisdiction of the department.

10 (2) The term includes an entity organized or existing
11 under, or subject to, any of the following:

12 (i) The act of May 17, 1921 (P.L.682, No.284), known
13 as The Insurance Company Law of 1921.

14 (ii) The act of December 29, 1972 (P.L.1701,
15 No.364), known as the Health Maintenance Organization
16 Act.

17 (iii) The act of May 18, 1976 (P.L.123, No.54),
18 known as the Individual Accident and Sickness Insurance
19 Minimum Standards Act.

20 (iv) Chapter 61 (relating to hospital plan
21 corporations) or 63 (relating to professional health
22 services plan corporations).

23 § 4103. Bi-annual notice.

24 (a) Explanation of coverage.--The department shall direct
25 each insurer to provide members and insureds with a notice twice
26 per calendar year explaining the coverage for addiction
27 treatment services covered under the policy or plan.

28 (b) Requirement for notice.--A notice issued under this
29 chapter shall:

30 (1) Be no more than two pages.

1 (2) Contain language that is nontechnical and readily
2 understandable.

3 (3) Explain the following:

4 (i) The coverage available for each level of
5 addiction treatment licensed by the Commonwealth,
6 including:

7 (A) Hospital and nonhospital detoxification.

8 (B) Hospital and nonhospital residential
9 rehabilitation, outpatient, partial hospitalization
10 and halfway houses.

11 (ii) Lengths of stay available for each level of
12 care under subparagraph (i).

13 (iii) The process to access covered services.

14 (iv) The process to file an appeal or a grievance.

15 (v) Avenues for accessing available public funding
16 if necessary.

17 (c) Review of notice.--Before an insurer provides a notice
18 under this chapter, the insurer shall submit the notice for
19 review for clarity, accuracy and approval to the Department of
20 Drug and Alcohol Programs. The Department of Drug and Alcohol
21 Programs shall convene representatives from the department,
22 Pennsylvania Recovery Organizations Alliance, the Drug and
23 Alcohol Service Providers Organization of Pennsylvania, parent
24 groups and others to review, approve or disapprove the notice.

25 (d) Approval of notice.--The department and the Department
26 of Drug and Alcohol Programs shall have 45 days to notify the
27 insurer, in writing, of approval of the language contained in
28 the notice under this section. The written approval shall be
29 sent via certified mail, electronic communication or other form
30 of communication that is agreed to by both the insurer and the

1 departments and organizations under subsection (c).

2 (e) Disapproval and resolution.--The Department of Drug and
3 Alcohol Programs and the department shall jointly mediate and
4 assist in negotiating a resolution to any disputes over language
5 in the notification that cannot be resolved.

6 § 4104. Administrative penalties.

7 The failure of an insurer to comply with section 4103
8 (relating to bi-annual notice) shall result in a fine or other
9 penalty as the department determines.

10 § 4105. Applicability.

11 Section 303 of the act of December 18, 1996 (P.L.1066,
12 No.159), known as the Accident and Health Filing Reform Act,
13 shall not apply to a notice under this chapter.

14 Section 2. This act shall take effect immediately.