AN ACT

Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," in casualty insurance, for the regulation of health insurance practices concerning parity and nondiscrimination.

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

Section 1. Section 606-B of the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, added March 22, 2010 (P.L.147, No.14), is amended to read:

Section 606-B. Regulations[.]and Regulatory Implementation.

(a) The department may promulgate such regulations as may be necessary or appropriate to carry out this article.

(b) The department shall implement and enforce applicable provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, and any amendments to, and any federal guidance or regulations relevant to, that act, including 45 CFR 146.136, 45 CFR 147.136, 45 CFR 147.160, and 45 CFR 156.115(a)(3), which includes:

(1) Ensuring compliance by insurers.

(2) Evaluating all consumer or provider complaints regarding mental health and alcohol or other drug abuse and dependencycoverage for possible parity violations.

(3) Performing parity compliance market conduct examinations of insurers, particularly market conduct examinations that focus on nonquantitative treatment limitations such as prior authorization, concurrent review, retrospective review, step-therapy, network admission standards, reimbursement rates, and geographic restrictions, among other nonquantitative treatment limitations.

(4) Requesting that insurers submit comparative analyses during the form review process demonstrating how they design and apply nonquantitative treatment limitations, both as written and in operation, for mental health and alcohol or other drug abuse and dependencybenefits as compared to how they design and apply nonquantitative treatment limitations, as written and in operation, for medical and surgical benefits.

(c) Not later than 6/30of each year, the department shall issue a report to the General Assembly and provide an educational presentation to the General Assembly. Such report and presentation shall:

(1) Cover the methodology the department is using to check for compliance with the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), and any federal regulations or guidance relating to the compliance and oversight of MHPAEA.

(2) Cover the methodology the department is using to check for compliance with sections 601-A, 602-A, 603-A, 604-A, 605-A, 606-A, 607-A, 608-A, and 635.1 of P.L.682, No.284.

(3) Identify market conduct examinations conducted or completed during the preceding 12-month period regarding compliance with parity in mental health and alcohol or other drug abuse and dependencybenefits under state and federal laws and summarize the results of such market conduct examinations.

(4) Detail any educational or corrective actions the department has taken to secure insurer compliance with MHPAEA and sections 601-A, 602-A, 603-A, 604-A, 605-A, 606-A, 607-A, 608-A, and 635.1 of P.L.682, No.284.

(5) The report must be written in non-technical, readily understandable language and shall be made available to the public by, among such other means as the department finds appropriate, posting the report on the department’s Internet website.

Section 2. This act shall take effect immediately