

LEG REG REVIEW 2004, Sixteenth Issue

LEG REG REVIEW is a periodic newsletter produced by PHILLIPS ASSOCIATES, a professional lobbying and consultant firm based near the State Capitol. It contains news on the Legislative and Regulatory scene in Pennsylvania that may be of use to insurance producers, companies, and interested parties. It is a free Member Service if you are a member of the Pennsylvania Association of Health Underwriters (PAHU) or the PA Surplus Lines Association (PSLA). Subscription information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217, Fax 717/728-1164 or E-mail to xenobun@aol.com.

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SCHEDULE POSTED FOR HEALTH HEARINGS

The House Republican Policy Committee has announced dates and counties for several hearings this summer. Their purpose is to gain input on “Healthy PA”, a platform of bills advanced by Republicans incorporating such areas as a basic package benefit program, what to do regarding mandated benefits, HSAs, and other health insurance topics. They are set for:

- July 14-15 in Allegheny County
- August 4 in Centre County
- September 8 in Montgomery County
- September 9 in Philadelphia

MORE HEARINGS

Senate Democrats convened roundtables in Philadelphia June 1 and 2 on health care costs and availability of health insurance. Convened by the Senate Democratic Policy Committee, the hearings heard testimony mainly from health systems, labor, and advocacy groups. Representing the insurance industry were Independence Blue Cross and PAHU member Ross Schrifman who submitted personal written comments on how Health Savings Accounts work. The Senate Democratic Policy Committee plans more roundtables this summer in Harrisburg and Pittsburgh.

On June 9, **the Department of Aging** is holding a hearing in Pittsburgh at the Court House 1-3 p.m. to accept testimony on the types of services that it should be offering to seniors. This is part of The State Aging Plan that projects multi-year programming for the Department through 2008. PAHU plans to suggest that the Department of Aging needs to consider health insurance producers as additional resources for seniors. Other hearings are:

- June 16: The Oaks, 200 Rachel Drive, Pleasant Gap (Centre) 10 a.m.- noon
- June 23: Reading Area Community College, 10 S. 2d St. in Reading 10:00 a.m.-noon

Text of the Plan is accessible at www.aging.pa.state.us.

COMMITTEE NEWS

- The House Aging and Older Adult Services will convene an informational meeting with PACE Director Tom Snedden June 8 to overview PA's drug benefit programs.
- The House Labor Relations Committee will meet June 9 to vote on HB 1014 (Barrar-R-Chester), a WC bill increasing penalties against insurers that pay late.

LARGE INSURANCE DEDUCTIBLE BILL PASSES HOUSE

The PA House of Representatives passed SB 815 (White-R-Indiana) before recessing for the Memorial Day holiday. This bill governed large deductible insurance policies for liquidated insurance entities. The Senate will need to concur with House amendments before it can go to the Governor for his signature.

WORKERS' COMP REPORT RELEASED

The PA Bureau of Workers' Compensation issued its Annual Report for FY 2002-03. Some highlights:

- Compliance with the 21-day requirement by insurers to make a payment or deny a claim rose past 70 percent, up from 66 percent last year.
- Premium savings for employers with certified safety committees exceeded the \$ 127 million mark. There are now over 15,000 committees.
- 521,524 claim forms were processed as were over 54,000 current WC judges' decisions, thus eliminating a backlog
- In the enforcement area, instituted were 1,059 new investigations of employer failure to have WC insurance with 18 referred for prosecution. Referred were 48 counts of employee fraud to insurance companies for investigation.

The Annual Report also provides WC basic data. It showed total 2002 compensation paid at \$ 1.761 billion, up from \$ 1.7 billion in 2001 and \$ 1.66 billion in 2000. In 2002-03 there were 98,042 work injuries compared to 94,215 in 2001-02 and 82,813 in 2000-01. New claims increased 4.97% from 2001-02 to 2002-03. Average time to resolve a WC case declined to 8.8 months, down from 9.3 months in 2001-02. Number of petitions assigned to judges remained virtually unchanged from 2001-02 to 2002-03 (less than one-percent decline). A copy of the Annual Report is available from 717/783-5421.

REGULATORY UPDATE

The Insurance Department has changed some producer license numbers in implementing Act 147. ***If your license is affected, you will not receive notice from the Department of the change or what your new license number is.*** One short cut (besides calling the Department) is to log on to www.sircon.com to see your educational transcript. If the screen says that there is no matching data to your license number, you are probably one of those with a new license number. To find out your new number, you may call Producer Services at 717/787-3840. If you are unable to get through, PHILLIPS ASSOCIATES will help as a professional courtesy to Leg-Reg Review readers xenobun@aol.com.