

LEG REG REVIEW 2007, Eleventh 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 useful to insurance producers, companies, and business interests. It is a free Member Service if you belong to the Pennsylvania Association of Health Underwriters or Manufacturers Association of South Central PA. Subscription information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 FAX 717/728-1164 or e-mail xenobun@aol.com. Please email jtrout2792@aol.com supplying both your e-mail and fax numbers in order to convert this publication to e-mail. If you wish to no longer receive it, please tell us.

GOVERNOR'S HEALTH PLAN ACCESSIBLE ON LINE

Governor Rendell's plan to aggressively re-shape Pennsylvania's health care and insurance system is finally available through the Electronic Bill Room (www.legis.state.pa.us) by keying in hb700 (no space). House Bill 700 spells out the Cover All Pennsylvanians and the three-percent tax ('fair share assessment') as well as attempts to reduce Medical Malpractice within the hospital system.

The Pennsylvania Association of Health Underwriters (PAHU) asks insurance producers to review the text and to identify two or three areas of particular interest and list private sector alternatives to the expansion of the public sector envisioned within the proposed legislation. The Rendell Administration consolidated 47 separate legislative pieces into this one omnibus bill.

Rhetorically, the battle is heating up with criticism from the Insurance Federation (insurance companies), the Chamber of Business & Industry, and NFIB testifying before the House Republican Policy Committee about the plan's cost and reinforcing PAHU's contention in earlier testimony that significant 'crowd-out' will occur as the private sector begins to remove itself from provision of health insurance. (Bethlehem Insurance agent Mark Hoffman testified for NFIB.) The Governor fired back in a Patriot-News letter to the editor where he dismissed criticism as coming from an insurance industry hired gun. It was not certain from his letter as to which testimony he referred.

This week the House Insurance Committee begins hearings on HB 700 in Harrisburg.

WC SUBCONTRACTOR BILL INTRODUCED

Senator John Gordner (R-Columbia) has re-introduced his bill permitting sole proprietor subcontractors to exempt themselves from Workers' Compensation. Senate Bill 666 seeks to address a long-standing gray area where all subcontractors are required to carry Workers' Compensation insurance (contractors are responsible for everyone on the job site to be covered). Problem is, there does not appear to be private sector WC coverage available. The State Workers Insurance Fund (SWIF) also seems not to be an option. The proposal has the strong backing of agent association IA&B but is criticized by those who fear insurance fraud because of businesses lying about independent contractor status so as to get out from under their legal obligation to have WC insurance.

SENATE COMMITTEE CONVENES TAX ANTICIPATION HEARING

The Senate Banking & Insurance Committee holds a hearing this week on Senate Bill 335 sponsored by Sen. Pat Browne (R-Lehigh). The bill addresses the issue of regulation of tax anticipation refund loan and check providers. Among other things, it would require registration by these entities with the Department of Banking and cap interest rates at 36 percent.

HEARINGS COMING UP

In addition to the above-mentioned hearings, there are a number of others of possible interest.

- House Appropriations Committee plans several regional hearings on various aspects of the Governor's FY 2007-2008 Budget proposal:
 - *Education held in Bristol*
 - *Mass transit in Pittsburgh*
 - *Medical Assistance (Public Welfare) in Uniontown*
 - *Higher Education in State College*
- Senate Transportation Committee meets to discuss oil company profits (NOTE: Taxing these companies using combined reporting was one of the Rendell Budget proposals.)
- Senate Aging and Youth Committee holds a hearing on the Department of Aging's plans to centralize assessment of individuals needing long-term care services

DPW SLAPPED BY SENATE RESOLUTION

The Senate Public Health & Welfare Committee passed Senate Resolution 60 (Earll-R-Erie) urging the Department of Public Welfare (DPW) not to go ahead with plans to reverse privatization of the marketing of managed care plans in favor of a state-run centralized mandated fee for service system called ACCESS Plus. Affected Medicaid recipients are to begin receiving notices of the change April 1 unless DPW's move is suspended. The Senate must still vote on SR 60.

The House Health and Human Services Committee held an oversight hearing on DPW's ACCESS Plus plan March 22 where the Department was both defended and criticized for its decision to go to the mandated fee-for-service scheme. If DPW goes ahead, it would reverse a move towards use of private sector managed care plans inaugurated by the Ridge Administration.

BILL INTRODUCTIONS

- Rep. Mark Cohen (D-Phila.) has introduced HB 613 to publicize employers having 50 or more employees that do not offer health insurance to their employees. His rationale is to list those firms imposing a "cost to the state to cover health access program benefits for employees and dependents".
- SB 560 (Kasunic-D-Fayette) would establish an Office of HMO Consumer Advocate housed in the Attorney General's office.
- HB 571 (Wojnaroski-D-Cambria) would require employers to extend health benefits for six months for employees called to active military duty,

DID YOU KNOW?

- **HB 850 was introduced by Rep. Mike Turzai (R-Allegheny) to abolish most of the joint and several liability doctrine in favor of a standard of comparative negligence where liability would be assessed based on who had more responsibility. Turzai's bill is the latest attempt by the General assembly to promote tort reform. Similar laws were struck down by the courts and (last time) vetoed by Governor Rendell.**
- This week is National Ag Week, celebrating the contribution farmers make to the U.S. economy. Agriculture is the number one industry in PA>
- The PA Insurance Department published a notice that it plans to abolish numbers of rules relating to filing of forms for fire and casualty policies (Chapter 133) because the requirements have been updated and appear elsewhere within Department regulations.