

LEG REG REVIEW 2007, 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 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.

BIG CHANGE IN THE BUDGET SCENARIO?

In a possible departure from what had been predicted to be a long and divisive summer, House Democrats appear to have decided to pass the State Budget by Memorial Day with debate expected to take place the week of May 21. Although still requiring Senate concurrence and the possibility of a Governor's veto, the move appears to confront criticism that the Democrats' majority had not adequately dealt with the Budget. Although reading the tea leaves in Harrisburg is always a risky proposition, the Budget passed by the House will probably do little more than continue present taxing and spending levels and would not include the new taxes sought by Governor Rendell.

In a Budget-related event, House Finance Committee chairman Dave Levdansky (D-Allegheny) introduced HB 1186, the Governor's plan for combined business tax reporting, eliminating the so-called Delaware loophole. This issue is of principal concern to numbers of large business entities that are headquartered in Delaware and which stand to lose significantly if the measure is passed. The Governor feels that these companies are not paying what they should in PA taxes.

Beginning is other appropriations activity with Senate passage of SB 791-798. Some areas contained within this package are funding for the professional oversight boards, transfer of monies from the Worker's Compensation Fund and the WC Administration Fund to the Office of Small Business Advocate within the Department of Community & Economic Development, and for the Capital Budget Act (capital projects).

BLUES ON HOLD

Action on the Blues' merger bill, HB 112 (Eachus-R-Luzerne), has halted due to an Administration veto threat prompted by an amendment creating a commission that would (in addition to the Insurance Department) let the General Assembly have review power over any merger of non-profit insurance companies. Meanwhile, House Republican Leader Sam Smith ripped the Administration in the media for allegedly concocting a secret deal with Highmark and Independence Blue Cross to allow the merger to go through in exchange for significant Blues' financial help to fund Governor Rendell's health priorities. The bill passed the Senate Banking & Insurance Committee May 2 and was re-referred to Senate Appropriations Committee May 7.

DATES TO NOTE

- May 15 is Primary Election Day. As you vote, remember that today's township supervisors and school board directors will become tomorrow's state legislators.
- June 5 is AARP's Annual Day of Lobbying. A central theme is expected to be support for Governor Rendell's Cover All Pennsylvanians plan. To discuss your views as an AARP member, contact AARP's executive director Dick Chevrefils at 866/389-5654.

LONG-TERM CARE PARTNERSHIP IN LIMBO

Long-Term Care Partnerships is still in limbo as the Administration negotiates with legislators and insurance companies on language designed to apply for a Medicaid waiver in order to permit Partnerships in PA. (Insurance agents are not part of the negotiations.) At issue are several Administration amendments to SB 548 (Corman-R-Centre). In its present form, SB 548 is a 'clean' bill, that is, it simply directs the Department of Public Welfare to request the waiver. This bill was passed by the Senate instead of a competing version, SB 706 (Stack-D-Philadelphia). In the House, Rep. Rick Taylor (D-Montgomery) introduced House Bill 966 containing the Administration language. The text of these and other all bills are available at www.legis.stste.pa.us.

GOVERNOR HEALTH PLAN SPLITS

Originally envisioned as an omnibus package contained within one comprehensive bill, House Bill 700, Cover All Pennsylvanians is being split into several sets of legislation designed to address various parts of the reform package. This past week, several bills were announced expanding the professional duties performed by nurse practitioners, pharmacists, doctors' and osteopaths' assistants, and mid-wives. These are House Bills 1250- 1257. According to one staff person, these are regarded as easily plucked low-hanging fruit. None of them require tax increases although they may still net opposition from physicians who feel that there may be a greater chance of medical mishap (malpractice?) if non-doctors are able to do more. The House Professional Licensure Committee begins hearings on this package this week. This focus was announced during National Nurses' Week at a press conference participated in by the Governor and Rep .Mike Sturla (D-Lancaster).

INSURANCE LEGISLATION TO NOTE

- Rep. Gordon Denlinger (R-Lancaster) has introduced HB 1003 exempting from Continuing Education any insurance producer who has been in the business for 25 years and has not added a line of authority.
- Rep. Neal Goodman (D-Schuylkill) introduced HB 1013 requiring employers to notify employees of decisions to terminate health insurance coverage 90 days out.
- Reauthorization of the Underground Storage Tank Indemnification Fund (USTIF) is the subject of SB 815 (Musto-D-Luzerne). It moved through the Senate Appropriations Committee en route to full Senate consideration.
- House Speaker Dennis O'Brien (R-Phila.) introduced HB 1150, a mandated health benefits bill dealing with autism and autism treatments.

PHILLIPS ASSOCIATES OFFERS SOUTHEAST CE BLITZ

A Continuing Education Blitz from PHILLIPS ASSOCIATES will take place later this month with E&O and Cyber Security (two classes totaling eight hours) May 29 (Shillington) and June 1 in Allentown. E&O and Health Insurance Public Policy Issues (two classes totaling eight hours) are offered May 30 (Exton) and May 31 (Horsham). Details: Joan Troutman 717/732-7255 or E-mail jtrout2792@aol.com.