

LEG REG REVIEW 2007, Twentieth 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.

HOUSE REPUBLICANS ADVANCE ALTERNATIVE TO RENDELL HEALTH PLAN

House Republicans are poised to present a GOP alternative to Governor Rendell's ambitious Cover All Pennsylvanians (CAP) plan requiring businesses to pay a 'Fair Share Assessment' or have state-approved health insurance. The PA Association of Health Underwriters (PAHU) has said that CAP would result in a weakening of the private sector and movement toward a state single payer plan. Business and insurance groups such as NFIB and Insurance Federation point to unrealistic per person costs and future significant increases in the Fair Share Assessment as utilization under CAP climbs. The Republicans' plan should seek to promote tort reform and more consumer-directed health plans as ways to address health care costs versus such a major expansion of the public sector. The announcement is expected at a press conference Tuesday.

FTC DECISION on BLUES MERGER CLARIFIED

The Federal Trade Commission (FTC) did not issue a formal Commission ruling on the proposed merger between Independence Blue Cross and Highmark. The FTC action was much more focused. In response to a query from Leg-Reg Review, following is what the Federal agency's Paul Karlsson had to say:

There is no opinion of the Commission, and consequently no summary or other explanatory writing. The Commission granted early termination of the waiting period mandated by the Hart Scott Rodino Act, which requires that mergers of a certain size be notified to the Commission and the U.S. Department of Justice. Once a notification has been filed, the parties may not pursue their transaction for 30 days. Either the Commission or Justice must act within that time period if they have reason to believe that the transaction might raise a competitive concern. If the agencies announce that they are granting early termination of the waiting period, the parties are free to complete the transaction.

The FTC Internet site for the early termination is at <http://www.ftc.gov/bc/earlyterm/2007/05/et070529.PDF>.

BUSY SENATE WEEK

The PA Senate had a busy week. Among actions were:

- The Taxpayer Protection Act (SB 707-Folmer-R-Lebanon) and the Constitutional Amendment (SB 7-Regola-R-Westmoreland) moving through the Senate Finance Committee. These would limit increases in state spending to the inflation rate plus the average state population change over the preceding three years. It also puts unanticipated revenues (surplus) into the Rainy Day Fund (25%) and 75% to be returned to taxpayers.

- A bill helping health care providers to digitalize medical records was approved by the Senate. SB 8 (Wonderling-R-Montgomery) sets up a grant program designed to help smaller rural providers achieve technological proficiency.
- Regulation of home contractors (SB 100-Tomlinson-R-Bucks) passed the Senate. It has a \$50,000 liability insurance requirement but its emphasis is on registration with the Attorney General and a requirement of a written contract for work exceeding \$500.
- A liability issue affecting County Fairs may have been addressed by momentum behind SB 466 removing some structural issues under the Uniform Construction Code.

MORE MEDICAL UNDERWRITING BILLS...

Entering the fray on whether medical underwriting should be prohibited are HB 1398 (Schroder-R-Chester) to prohibit medical underwriting altogether and SB 865 (White-R-Indiana) permitting some medical underwriting based on market share. Not yet introduced is SB 671 (Wonderling-R-Montgomery).

HOUSE INSURANCE COMMITTEE TO CONSIDER PARTNERSHIPS

June 13 the House Insurance Committee plans to meet on House Bill 966 (Taylor-D-Montgomery) that directs the Department of Public Welfare to seek a Medicaid waiver permitting Long-Term Care Partnerships in PA. This concept permits a person to shelter assets from Medicaid spend-down so as to allow them to buy a LTC Partnership insurance policy. That way, when needing long-term care, the private sector, not the taxpayer, pays for it. The issue has been embroiled in controversy between those wanting a clean bill and the Rendell Administration that has sought a number of policy provisions. Earlier, the Senate passed a clean bill, Senate Bill 548 (Corman-R-Centre).

COMING UP THIS WEEK

- Votes on various proposals to reform the House taken by the Speaker's Legislative Reform Committee
- Senate Aging and Youth Committee considers SB 811 (Vance-R-Cumberland) re long-term living facility licenses
- House Commerce Committee considers an overhaul of the Motor Vehicle Sales Finance Act and the Goods and Services Installment Act. (HB 1382-Ross-R-Chester).
- Another hearing in a series to examine whether or not medical assistant level persons' authority should increase is being held June 14 by the House Professional Licensure Committee. This week, HB 743 (pharmacy technicians) is the focus. Collectively, these bills are part of Governor Rendell's health care reform package contained within HB 700.

IS MED MAL IMPROVING?

When it comes to Medical Malpractice, whether or not it is getting better depends on who is reporting. First, the PA Supreme Court reported that there was a sustained decrease in numbers of malpractice lawsuits (1,693 filings in 2006, a 38 percent decline from base years of 2000-2002, prior to implementation of the venue legislation that requires malpractice lawsuit trials be held where the alleged malpractice occurred). A study reported in the journal "Health Affairs" said that the numbers of specialist doctors in PA remained relatively constant. Most recently, an article appeared in the Patriot News suggesting that the earlier study was flawed since it limited itself to MCARE data instead of looking to the Center for Medicaid Services, the AMA Master Physician Master File, and the Area Resource File by the Bureau of Health Professions. These data suggested that the number of physicians in PA dropped between seven and 20 percent compared to all other of the most populated states (except CA) that showed a 10-20 percent increase. *(Thanks to capitolwire.com for contributing to this article.)*