

LEG REG REVIEW

2007, Twenty-First 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](mailto: xenobun@aol.com). Please email [jtrout2792@aol.com](mailto: 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.

SENATE ENACTS DISPUTED BUDGET

The Senate passed House Bill 1286, the Budget Bill, in a way sure to evoke a non-concurrence House vote. The Senate version freezes spending to current levels (except for a 2.7% cost of living increase), rejects Governor Rendell's spending priorities, but also does not restore numbers of cuts made by Rendell in current popular spending programs such as workforce development. After the House votes, the stage is set for negotiations between the four caucuses and the Governor. *Another bill with budget implications moved through the House Finance Committee last week. HB 1186 (Levdansky-D-Allegheny) requires combined reporting of business taxes and is aimed at PA companies with Delaware headquarters.*

HOUSE INSURANCE PUSHES AUTISM BILL

Last Thursday the House Insurance Committee gutted the original Blues merger bill, SB 550 (White-R-Indiana), and inserted language from House Bill 1150, a bill mandating insurance coverage of autism treatment. The revised bill is now on the fast track since autism benefits is a priority of House Speaker Dennis O'Brien (R-Phila.).

HOUSE REPUBLICANS ADVANCE ALTERNATIVE TO RENDELL HEALTH PLAN

House Republicans presented 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 Republicans' plan seeks tort reform and more consumer-directed health plans as ways to address health care costs versus such a major expansion of the public sector. Speaking were Republican Representative Mike Turzai (R-Allegheny), chairman of the House GOP Policy Committee and Reps. Scott Boyd (R-Lancaster) and Kate Watson (R-Bucks), chairpersons of the Republican Task Force that put the package together. Also speaking at the press conference, PA Association of Health Underwriters (PAHU) endorsed the GOP proposals, saying that CAP would result in a weakening of the private sector and movement toward a state single payer plan. Democrats held a competing press conference the same day

Advanced last week as a possible consensus bill given that the Republican and Democratic competing health plans are so far apart is House Bill 1551 introduced by Rep. Eugene DePasquale (D-York) at a press conference last week. This bill removes the PA prohibition against a business group from being established solely for the purpose of buying insurance. Long a priority of the NFIB, these plans would permit small businesses from many different sectors to negotiate on a different (larger) level than they can on their own. Speaking at the press conference were DePasquale, Republican Bev Mackereth (York), Democratic Policy Committee chairman Todd Eachus (Luzerne) and others. There are 104 sponsors, more than enough to pass the bill.

OTHER LEGISLATIVE DEVELOPMENTS

- The House passed HB 1000 dealing with mental health referrals and limits insurer 'look-backs' on payments to providers to one year. **On next week's calendar are** HB 966 (Long-Term Care Partnerships) and HB 1556 (increasing dependent coverage to age 30, part of Rx for PA). Both are expected to pass.
- Expanding practitioners' powers passed the House as part of the Rx for PA. This is seen by Rendell as a way to provide cheaper access to health care. Passed were five bills to expand powers of nurse midwives, certified nurse practitioners, dental hygienists, pharmacists, practitioners of osteopathic medicine.
- Signed into law is SB 218 (Browne-R-Lehigh) changing the way EMS taxes (now called 'local services tax') are collected by employers to a per pay period deduction in 2008 to ease the impact of the full \$52 being collected in a lump sum as had been the case.
- Reported out by the House Insurance Committee was HR 334 (Biancucci-D-Beaver) to establish a task force to study "affordable health insurance, health care access and quality health care services". It would have 120 days to complete its work. The Office of Health Care Reform would be charged with convening the first meeting. The task force would include a representative from the health insurance industry appointed by the Governor.

PHC4 ISSUES NEW REPORT

The PA Health Care Cost Containment Council (PHC4) issued a new report, [Cardiac Surgery in Pennsylvania 2005 Report](#). The report includes data from PA hospitals on various types of cardiac surgery, costs, and mortality rates. One notation is that mortality rates for heart bypass surgery are continuing to fall. Details: www.phc4.org

EXPORT INPUT SOLICITED

The Insurance Department is again soliciting comment from the Surplus & Excess lines side of the insurance industry on its export list. The export list contains named coverages where the Department has determined that the usual three-declination rules do not apply because standard coverage is not available. Suggestions and rationale should be forwarded by July 9 to Cressinda Bybee, Office of Corporate and Financial Regulation, PA Insurance Department, 1345 Strawberry Square, Harrisburg, PA 17120 (717/787-8557 or cbybee@state.pa.us).

HOLOCAUST INSURANCE CLAIMS REPORT RELEASED

On June 18, the NAIC issued its final report on Holocaust Era Insurance Claims. The goal of the NAIC initiative was to identify insurance proceeds owed to victims of the Holocaust. The report concluded nine years of research worldwide that netted \$306 million in awards to more than 48,000 victims and their heirs. Former PA Insurance Commissioner Diane Koken led the NAIC effort as part of the International Commission on Holocaust Era Insurance Claims. Details: www.icheic.org

OTHER ITEMS:

- The Patient Safety Authority will meet July 10 in Harrisburg. Details: 717/346-0469
- Approved by the Insurance Department are new per diem charges for company financial exams and per diem charges for market conduct examinations effective July 1, 2007. Details: www.pabulletin.org June 16 issue.
- The September 10-21 SPARKS Clinics are now approved for four CE credits in PA, MD, and DE. Details: www.sparkclub.com