

LEG REG REVIEW

2007, Twenty-Second 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.

BUDGET IMPASSE CONTINUES INTO JULY

The quest for a state budget continues into July amid finger-pointing from all sides as to who is to blame for the missed July 1 deadline for the start of the new fiscal year. The House voted to non-concur with a Senate-passed budget. House Republicans issued a June 30 statement noting “Yet another budget deadline is being missed for no other reason than House Democrats wanting leverage to increase spending, borrowing, and taxes.” The GOP statement also noted Governor Rendell’s absence from budget negotiations. The Governor presented a different message: “The faces have changed but the mindset remains. (Senate Republicans) are doing nothing to solve the budget crises facing Pennsylvania and there is no legitimate excuse for dragging out the budget process for as long as they have done.”

LTC PARTNERSHIP PASSES (sort of)

Long-Term Care Partnership House Bill 966 (Taylor-D-Montgomery) passed the House but was significantly amended by the Senate Banking and Insurance Committee to include language re-asserting the legislature’s role in reviewing a Blues merger. This effectively inserts oversight language sought by the Senate earlier although the Insurance Department would no longer have to submit a written determination that the merger would result in “sustained reduction in health care premiums.” Instead, the Department must determine that the merger will provide “sustained benefits”.

HB 966 passed the House June 26, the Senate Banking and Insurance Committee June 28, and the full Senate June 30 by a vote of 29-19. What that means is that this bill now goes back to the House for concurrence with the Senate amendments. Note that the Senate vote was along party lines with Republicans voting for and Democrats against. This signals more confrontation in the House.

In a related development, SB 548 (Corman-R-Centre) was moved out of the House Insurance Committee June 29, setting the stage for another House vote on establishing the Partnerships in PA. The Corman bill may be amended to include language from the original HB 966.

LEGISLATIVE UPDATES

- Increasing health insurance dependent age to 30 passed the House (HB 1556 by Rep. Mark Longietti – D-Mercer).
- The House voted 162-39 to enact House Resolution 334 (Biancucci-D-Beaver). This is a resolution establishing a body to examine health care options in PA and how to pay for them. The first meeting will be convened by the Governor’s Office of Health Care Reform. The no votes were cast by Republicans.
- To the Governor goes SB 815 reauthorizing underground storage tank cleanup and a special fund to help homeowners with their in-house spills. The Governor supports this legislation.

SINGLE PAYER INTRODUCED IN HOUSE

Legislation seeking a single payer system in PA was unveiled in the House June 28 as House Bill 1660 (Manderino-D-Phila.). Like SB 300 (Ferlo-D-Allegheny), this bill would replace the current insurance system with a state-run system. It would be funded by a ten-cent of payroll business tax and a doubling of the three-percent personal income tax from three to six percent. Actual text of the bill is not available since it was introduced June 28 but it appears to mirror SB 300. Both are retreads from the last legislative session although with a different House sponsor. The 29 sponsors include two Republicans, Speaker Dennis O'Brien (Phila.) and David Steil (Bucks).

REGULATORY UPDATES

- The Department of Labor & Industry issued rules regarding qualifications for vocational experts. These are professionals who assist companies and insurers in determining what a person is able to do and what an earnings assessment might show. One issue raised by the Insurance Federation of PA was a need to better define 'financial interest' since vocational experts must disclose these interests with insurers. L&I changed its wording to clarify the term.
- The NAIC reports that it has received the first filings under the Interstate Compact, a new system that was spearheaded by former PA Insurance Commissioner Diane Koken. Under the Compact, subscribing states including Pennsylvania, agree to accept as valid form filings in other Compact states for life, annuity, disability income, and long-term care insurance. This system was designed to meet concerns from insurers that state approvals are time consuming, inconsistent, and costly. So far, 30 states have joined the Interstate Compact.

PA OFFICIALS TAKE AIM AT BUSH SCHIP VIEW

Governor Rendell and Democratic Representative Tim Holden joined Senators Bob Casey (D-PA) and Arlen Specter (R-PA) to attack President Bush's view of SCHIP reauthorization by the U.S. Congress at a press conference in Harrisburg last week. Nationally, the CHIP authorization expires this year. Congress is weighing an expansion in funding as well. At issue is whether CHIP should be limited to helping children at 200% of the poverty level or below versus Democrats' advocacy for CHIP going to higher economic groups as well. Pennsylvania enacted the Cover All Kids initiative expanding partially taxpayer-subsidized CHIP and allowing children of all economic levels come into CHIP at a non-subsidized rate.

STUDIES AND SURVEYS

- The US Centers for Disease Control's National Center for Health Statistics released a study suggesting that the number of uninsured persons in the United States has declined from 46 million to 43.6 million. Pennsylvania had one of the lowest rates at 10 percent versus 15 percent nationally. This state had 72% of people under 65 with private sector health insurance versus 66.5 percent nationally. Details: <http://www.cdc.gov/pressroom07newsreleases/insurance.htm>
- The PA Patient Safety Authority released a report saying that there were 174 operations on the wrong body part or limb in a 2004-06 period. Details: www.psa.state.ps.us

ERROR...*The PA Osteopathic Association contacted PHILLIPS ASSOCIATES, remarking that a bill expanding powers of certain medical personnel was incorrectly identified as affecting "practitioners of osteopathic medicine". The phrase should have read "physicians' assistants".*