

LEG REG REVIEW 2007, Seventh 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 of use 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.

COMMISSIONER KOKEN RESIGNS

M. Diane Koken has resigned her post as PA Insurance Commissioner. Her tenure spanned the administrations of three Governors, Ridge, Schweiker, and Rendell, making her the second-longest commissioner in Pennsylvania history. Some of the landmarks of her tenure include expansion of the CHIP and creation of the adult Basic health program for uninsured adults using Tobacco Settlement money. She also saw another major problem area brought under the purview of the Insurance Department. Medical Malpractice became a major focus and Medicare Care and Reduction of Error (MCARE) program was created, succeeding the former MedCAT fund, a state-run middle layer of medical malpractice insurance. MCARE expanded beyond the insurance function into Best Practices for health care providers. Part of this responsibility included oversight of the abatement fund meant to help doctors pay for their MCARE assessment in return for a pledge not to leave the state.

In addition to PA work, Koken was elected president of the National Association of Insurance Commissioners (NAIC) and was instrumental in forging the Interstate Compact (to which PA is a subscriber), an NAIC effort designed to speed insurance products to market by saying that a product approved in one Compact state is approved in all. This may have the farthest reach of her legacy since it may blunt some of the pressure to adopt federally-chartered insurance. NOTE: The Interstate Compact includes life, annuities, long-term care, and disability insurance but not P/C.

Her plans have not been released except for reports that she will serve on the board of a major insurance company. She is succeeded in the interim as Acting Commissioner by Randy Rohrbaugh.

MORE CHANGES

- Resigning as Governor Rendell's aide is former U.S. congressman Joe Hoeffel to run for office in Montgomery County.
- Former Senate president pro tempore Robert Jubelirer is now lobbying for the PA Trial Lawyers Association.
- Former Number Two House Democrat Mike Veon has been retained as a lobbyist for the smokeless tobacco and cigar industry. He was a long-time opponent of taxing those products and now will be in conflict with Governor Rendell's desire to tax those products in order to create his Cover All Pennsylvanians expansion of public sector health coverage.
- Following the relinquishing by Senator Vincent Fumo of his position as Democratic Appropriations Committee chairman and assumption of that spot in an acting capacity by Senator Gerald LaValle (D-Beaver), Democrats have picked Senator Vincent Hughes (D-Phila.) to take over LaValle's position of Senate Democratic Caucus Secretary.

DOG LAW REGULATION DEADLINE MOVED

The PA Department of Agriculture (PDA) has moved its deadline for public comment to March 16. The proposed rule, Regulation #2-152, is the Rendell Administration's answer to allegations against kennels and dog breeders for being 'puppy mills' and having inhumane conditions. In addition to setting standards, it also has a section dealing with animal liability insurance if a dog has been declared dangerous. Section 27.5 requires a \$50,000 surety bond or valid certificate of insurance for the animal. Section 27.6 names the Secretary of Agriculture as an additional insured. Section 27.14 states that PDA will contact the named insurance company to verify that the Secretary has been added as additional insured. This updates rules for the PA Dog Law and is found in the December 16, 2006, PA Bulletin (www.pabulletin.com -- use search tab for 2006 issues). The House and Senate Agriculture and Rural Affairs Committees may weigh in on the regulation as will the Independent Regulatory Review Commission (IRRC). Those wishing to submit views directly to IRRC, bypassing the Department may wish to comment to Mike Stevens, IRRC, 333 Market Street, Harrisburg, PA 17101. Agriculture Department contacts are listed in the regulation found in the PA Bulletin.

Rep. Jim Casorio (D-Westmoreland) has introduced House Bill 365 on revocation, suspension or refusal of kennel licenses.

MANDATED BENEFIT STUDY RELEASED

Colorectal screening was deemed to be effective and insurance coverage available according to a report issued by the Legislative Budget and Finance Committee (LBFC). This study was mandated by SR 212 of 2006 going to LBFC rather than the usual route of the PA Health Care Cost Containment Council (PHC4) which has traditionally done these sorts of studies including a previous one on colorectal screening. This study may pave the way for a redoubled drive to enact mandated benefit health insurance coverage.

NEW BILLS

The pace of new bills has slowed with the start of the budget season but there are a number to note:

- SB 25 (Musto-D-Luzerne) extends dependent health insurance coverage to age 30
- In addition to HB 316, there is SB 38 (C. Williams -D-Montgomery) to mandate health insurance coverage for contraceptives.
- HB 410 (Petri-R-Bucks) calls for a tax credit for long-term care.
- HB 422 and 423 (Gingrich-R-Lebanon) establish informal dispute resolution systems for nursing homes and requires public notices/enforcement of state rules.
- HB 427 (Godshall-R-Montgomery) would amend the PA Constitution to allow for capping non economic damage awards in medical malpractice lawsuits.

WESTERN AND CENTRAL PA CE TOURS ANNOUNCED

PHILLIPS ASSOCIATES has announced several CE days in western and central PA in March. Western stops are Uniontown, Monroeville, and Indiana on March 14, 21, 28. The Central PA Tour has classes in Lancaster, Harrisburg, and Williamsport on March 28, 29, 30. For flyers describing the courses and locations, please contact Joan Troutman at 717/732-7255 or jtrout2792@aol.com.