

LEG REG REVIEW 2008, Tenth 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.

HEALTH INSURANCE WEEK 1 IN THE HOUSE (Next week is Health Insurance Week Two)

In the evening of March 12, House Democratic leadership forced a vote on their version of the Rendell Cover All Pennsylvanians which they unveiled that afternoon. They chose to amend SB 1137 already on the House calendar rather than introducing new legislation. **IMPORTANT: This vote was for an amendment to SB 1137, not a vote on SB 1137 itself. That vote is scheduled for this coming week. To read the amended bill's text, go to www.legis.state.pa.us, the Electronic Bill Room.**

Specifically, the amended legislation calls for:

- Creation of Access to Basic Care (ABC), the new name for Cover All Pennsylvanians. This is a state-run plan subsidized for employees at 200% Federal Poverty Level and available to those up to 300% FPL in employer groups of 2-49.
- There would be a 180-day period of not being insured, a 90-day residency requirement, and zero waiting for someone who is uninsured because of job loss, divorce, or death.
- Benefit design would be left up to the Insurance Department although two new benefits over and above adultBasic would be included, Rx and behavioral services
- H S A plans may be approved by the Department if benefits are the same as ABC
- A new program apparently modeled after HIPP (Health Insurance Premium Program) would be created to subsidize employee share of premiums. This is designed to help small employers' employees continue to participate in private sector health plans instead of opting-out because they cannot pay their share of the premium.
- The amendment also clearly states that the new Access to Basic Coverage plan is not an entitlement program.
- Rolling adultBasic and adultBasic waiting list into ABC

The final vote on the amendment was 114-81. *Republicans deciding to break ranks with their party to vote for the Democrat plan to create this new government program were: **Matt Baker** (Tioga), **Karen Beyer** (Northhampton), **Eugene DiGirolamo** (Bucks), **Bob Godshall** (Montgomery), **George Kenney** (Phila.), **Nicholas Micozzie** (Delaware) [He is the Republican chairman of the House Insurance Committee.], **Jay Moyer** (Montgomery), **John Payne** (Dauphin), **Ron Raymond** (Phila.), **Mario Scavello** (Monroe), and **Mike Vereb** (Montgomery). Eight Republicans and one Democrat were absent from the vote.*

Funding would come from the MCARE abatement fund, the Governor's idea to use MCARE abatement fund reauthorization as a way to force his funding plan on the General Assembly. The MCARE abatement fund's life would extend until 2017. Other funding sources include:

- Tobacco Settlement monies now used for adultBasic
- Premium portion paid by employees/employers

- Hoped for waiver from the Federal Government to allow for matching funds (Interestingly, an amendment to prevent full enactment of this plan until a waiver was actually approved was beaten down largely along party lines.)
- Missing is the Governor's plan to tax smokeless tobacco and increase cigarette taxes.

Numbers of Republican amendments were defeated by Democrats also with GOP crossover votes.

SENATE BANKING & INSURANCE TO MEET

The Senate Banking & Insurance Committee has scheduled a March 18 meeting to consider four bills:

- SB 998 (McIlhinney-R-Bucks) creating a requirement that health insurers reimburse licensed social workers for mental health services
- SB 998 (White-R-Indiana) exempting service contracts from insurance law
- SR 248 (White-R-Indiana), a resolution designating April 7-11 as "Community Banking Week"
- SB 1276 (Browne-R-Lehigh) creating Debt Management Services and Credit Counseling Act

MARCH 31 DEADLINE FOR MANDATED BENEFIT COMMENTS

The PA Health Cost Care Containment Council (PHC4) will still receive comments on two mandated benefit proposals. First is House Bill 1105 (Curry-D-Montgomery) relating to treatment of hemophilia and blood disorders. The second is House Bill 1462 (DeLuca-D-Allegheny) to provide insurance coverage for clinical cancer trials. Comments should go to PHC4, 225 Market street, #400, Harrisburg, PA 17101, Attention Charles Betley.

BUDGET & BORROWING NOTES

- The Rendell Administration believes that the 2007-2008 State Budget will show a surplus of at least \$199.4 million, setting the stage between those who wish to spend it and those wishing to beef up the state Rainy Day Fund.
- According to Greenlee Partners, the Governor is seeking to spend \$366 million more out of the State Lottery fund than it will take in, reducing the cushion to \$35 million versus a cushion of \$476 million two years ago.
- The House passed Gov. Rendell's energy program with \$850 million of new state debt.

THIS AND THAT...

- The State Treasury has sent out letters to associations suggesting that they contact their members to alert them to a web site where people can go to check on unclaimed property. (www.patreasury.org 800/379-3999). [NOTE: When I went on the web site I discovered several for Vince Phillips but they belong to those other Pennsylvanian Vince Phillipses, alas!]
- The Insurance Department's Consumer Liaison has released its spring newsletter. Its major focus is on young adults and also with articles on flood insurance and the need to inventory one's insurance policies to identify areas needing to be updated.
www.ins.state.pa.us/ins/lib/ins/consumer_liaison/2008_QTR1_English.pdf

AGING CONTINUES TOWN HALL MEETINGS

The PA Department of Aging continues its series of Town Hall meetings throughout Pennsylvania with a hearing in Williamsport March 17. The purpose is to gain input on the Department's *State Plan on Aging*. A prime focus is on long-term care, its costs and on the Federal effort to promote understandings of the Long-Term Care Insurance Partnership per HHS' designation of Pennsylvania as a priority state re education and governmental outreach.