

LEG REG REVIEW 2008, Twelfth 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 – NUMBER THREE

This week the House is slated to pick up where it left off on health insurance by considering House Bill 2005 (DeLuca-D-Allegheny). The legislation was amended just before the legislature went on Easter break to prohibit medical underwriting, to require an 85% ratio of claims to premium, and to have the Department set minimum coverage for health insurance plans, prompting concerns by PAHU and others that it will increase costs and strip the market of its ability to adapt and innovate.

Other legislation may also be considered:

- HB 2098 re insurers' not paying for certain claims resulting from a foreseeable adverse event
- HB 2209 establishing regional community health purchasing networks
- HB 2026, mini-COBRA
- HB 2028 to have PHC4 set up Internet physician price transparency

In a related development, Governor Rendell told reporters that he is not inclined to sign any re-authorization of the MCARE abatement fund without funding for his health reform, now known as Access to Basic Care program (formerly Cover All Pennsylvanians). The Governor partially achieved this already with House passage of SB 1137, legislation the Senate still has to consider.

ANNUITY SUITABILITY BILL INTRODUCED

Senator Jake Corman (R-Centre) has introduced Senate Bill 1307 that clarifies steps insurance producers must undertake to make sure that an annuity product is suitable to the consumer. It is based on the NAIC suitability model bill, which was a regulatory reaction to widespread anecdotal evidence of some consumers, particularly seniors, being pressured or cajoled into buying annuities that were inappropriate for their particular situation. Those wishing to read bill text may visit the Electronic Bill Room www.legis.state.pa.us Feedback to xenobun@aol.com please.

HOUSE INSURANCE COMMITTEE SCHEDULES HEARINGS

The House Insurance Committee has scheduled two hearings:

- April 14 in Pottsville: House Bill 1121 (Yudichak-D-Luzerne) establishes an Office of Consumer Advocate for Insurance
- April 15 in Harrisburg: House Bill 1849 (Cohen-D-Phila.) requires insurance coverage for Telehealth treatments.

CROP INSURANCE PREMIUM SUBSIDY BOOST

PA Agriculture Secretary Dennis Wolf announced that farmers who signed up for Crop Insurance by March 17 will receive an automatic premium reduction of up to \$175.00 per policy. This was due to a federal grant of \$1 million obtained by the Commonwealth from the Risk Management Agency of the U.S. Department of Agriculture. This is supplemented by PA's own Crop Insurance premium subsidy program. Governor Rendell has asked that PA's program be increased to \$3 million in the FY 2007-08 Budget.

MORE HEARINGS and MEETINGS...

- The Senate Banking & Insurance Committee will meet April 1 to hear testimony on House Bill 1550 (O'Brien-R-Phila.) on autism care as a mandated benefit.
- House Commerce Committee meets April 1 to vote on HB 2294 (D. Evans-D-Phila.), a measure to license persons providing credit counseling.
- Senate Public Health & Welfare Committee meets April 9 to look at how PA health clinics provide health care for low income and uninsured residents. The hearing will explore different types of clinics, their usage, and how services may be enhanced.

POLITICAL NOTES

- Applications for absentee ballots must be received by your county board of elections by April 15 in order to vote in the April 22 primary. Deadline for your absentee ballot to be received by the county boards is April 18.
- Off the primary ballot are two Democrats due to court decisions re petition signatures: Phila. Rep. Tom Blackwell and Rep. Frank Shimkus (Lackawanna). Shimkus will pursue a dual (R and D) write-in campaign.

PHC4 CHIEF TO STEP DOWN

Serving since 1993 and as Executive Director since 1998, PA Health Cost Care Containment Council (PHC4) Mark Volavka announced his retirement. PHC4 is the agency responsible to communicate hospital costs to consumers and evaluate market impact of proposed mandated benefits. During his tenure, he was able to enhance the credibility of PHC4 nationally as a way to compare costs and quality of hospital treatments. The agency will soon gain more visibility as it will be centered in the implementation of the new hospital-acquired infections law and proposals for transparency in physician pricing as well as Rx price transparency. Replacing him in an acting capacity is former AFL-CIO Legislative Director David Wilderman.

RENDELL TOUTS 'OWN YOUR OWN FUTURE' SENIOR EFFORT

Fueled by HHS' deciding to make PA a priority consumer education state re the new Long-Term Care Partnership Program, Governor Rendell announced that the state Department of Aging would be taking the lead although the Insurance Department would play a supporting role. Consumers may order up to five kits from 866/752-6582.

PAHU PLANS APRIL 8 DAY ON THE HILL

The Pennsylvania Association of Health Underwriters (PAHU) is convening its annual Day on the Hill April 8 in Harrisburg. Approximately 100 members will visit with lawmakers and staff on a variety of issues including the latest version of Governor Rendell's Cover All Pennsylvanians, now called Access to Basic Care program (ABC), which is now in the Senate, physician price transparency, agents marketing CHIP, etc. Information: Tyrone Watford tyrone@vphillips.com

REGULATORY UPDATES...

- Insurers writing workers' compensation were notified by the Insurance Department that they must complete Special Schedule "W" including premiums, losses, etc. This information must be submitted by April 15. details: Bojan Zorkic 717/787-6968
- CHIP Advisory Council meets April 2 to review CHIP outreach activities. Details: Kirk Montrose 717/214-4781

CORRECTION...State Rep. Murt was incorrectly identified in the last Leg-Reg Review was John Murt. His name of course is Tom Murt.