

LEG REG REVIEW 2008, 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.

THEY ARE BACK...

The General Assembly returns this week amidst conflict in a number of areas. Two top issues are Governor Rendell's **energy package** where the House passed something to his liking and the Senate not. One movement is that the Republican-led Senate now appears willing to accept some level of state borrowing -- \$650 million instead of the Governor's \$850 million. The other top concern is **taxes and property tax relief** where Finance Committee Chairman David Levdansky (D-Allegheny) is pushing for full House passage of his HB 1600 to increase the sales tax by one-percent and PIT by ½ of 1%. At a hearing of the House Republican Policy Committee, House Republicans meanwhile called for a tax reduction because of state surpluses. (NOTE: On January 7, House Appropriations Chairman Dwight Evans (D-Phila.) announced that the year-to-date surplus is now \$176 million.)

Second is the proposed **smoking ban** sought by Governor Rendell as part of his Prescription for Pennsylvania. The Senate and House have passed competing versions of SB 246. The bills have been referred to a conference committee to attempt a resolution of the differences. Members are Senators Greenleaf, McIlhaney, and Mellow. House appointees are Belfanti, Gerber, and R. Miller. Gerber is the prime sponsor of the House's anti-smoking bill, HB 1541. (Some questions that have dogged the debate: If smoking is banned in public places, what is a public place? Is it, for example, a club? What of restaurants and bars that inform customers that smoking will be taking place inside? Should they be exempted?)

A third issue is the Governor's attempt to **use MCARE abatement fund surpluses to fund his Cover All Pennsylvanians (CAP) proposal**. He moved away from his original attempt to impose a three-percent payroll tax on businesses to pay for CAP because of strong business opposition. His current strategy is tying his CAP goal to reauthorization of MCARE abatement fund's ability to help subsidize all or part of doctor's MCARE assessment (Medical Malpractice premium). The Senate passed a bill NOT doing what the Governor sought. The House amended SB 1137 with the Governor's language in committee but a full floor vote before the holiday recess was stymied. The result is that doctors will be hit with the full MCARE assessment unless the reauthorization takes place. You may recall from Leg-Reg Review 2008-1 that Governor Rendell wrote PA doctors in December urging them to "talk to fellow physicians, your professional organizations, and the CEOs of your local hospitals" urging passage of Cover All Pennsylvanians.

Another key provision of the Cover All Pennsylvanians proposal is also pending. Waiting action is HB 2005 (DeLuca-D-Allegheny) which prohibits medical underwriting (except where market share is less than 10-percent) and moves to a modified demographic rating system. That bill is currently in the House Appropriations Committee. Please refer to www.legis.state.pa.us for text of bills.

REGULATORY UPDATES

- On January 12, The Insurance Department has issued its qualified unlicensed reinsurer list. (www.pabulletin.com)

- Issued January 12 was Insurance Department Notice 2008-2 extending the due date for doctors to pay their MCARE assessment to March 31.
- The Banking Department and the Office of Financial Education invite businesses to participate in a survey of nearly 7,000 businesses on what type of financial education they provide to employees. Asserted is a tie to reducing health care costs because worrying about finances “are having a negative impact on health”. The survey does not mention insurance education as part of the workplace financial literacy training. The survey is available at www.moneysbestfriend.com.
- The Coal Mine compensation Rating Bureau filed a proposed loss cost with the Insurance Department seeking a 7.7% decrease in collectible loss costs and the Employer Assessment Factor would be 2.23% (now 2.22%). If approved, these will be effective April 1.

ELECTION PRIMARY NOTICE TO POTENTIAL CANDIDATES

There are a number of important deadlines for candidates and potential candidates in 2008 beginning with the circulation of nomination petitions on Jan. 22 and completion by February. 12. Feb. 13 is the first day a candidate may file papers with the Department of State and February 27 is the last day a candidate may withdraw before the primary. (www.dos.state.pa.us)

PAHU asks that it be contacted by potential candidates with an interest or background in insurance (or their backers) for an interview. (717/346-1063)

ADDITIONAL RETIREMENTS

Other state lawmakers have decided to retire at the end of this legislative session:

- Rep. Jess Stairs (R-Westmoreland), minority chair of the House Education Committee
- Freshman Rep. Carl Manz (R-Berks/Lehigh)
- Rep. Fred McIlhattan (R-Clarion)

ON AND OFF THE SCHEDULE...

- House Environmental & Natural Resources Committee will meet January 15 to consider HR 465 (Hanna-D-Clinton). It urges FEMA to update state county and municipal flood maps every ten years.
- Cancelled are two days of hearings (January 16 and 17) of the House Consumer Affairs on home contractor regulation (HB 1821).

SENIOR RESOURCES TOUTED BY INSURANCE DEPARTMENT

The Insurance Department announced that a new resource for senior insurance consumers is available at www.ins.state.pa.us and clicking on ‘Older Pennsylvanians’ on the navigation bar. This site will contain information such as explaining Rx plans.

Also, featured in the latest issue of *Consumer News You Can Use*, a publication produced by the Office of Consumer Liaison is an article on SeniorLaw Center out of Philadelphia which has a battery of attorneys to assist seniors with a variety of consumer and contractual problems. Details: 877/PA-SRLAW www.seniorlaw.org. That publication also warns consumers with long-term care policies that treatment necessary because a person is addicted to alcohol or drugs is not covered. (Office of Consumer Liaison 717/787-0636)

CONTINUING EDUCATION NOTE FROM PHILLIPS ASSOCIATES...Help Wanted. PHILLIPS ASSOCIATES is seeking instructors who are knowledgeable on Flood Insurance in preparation for courses to be offered this spring. Queries should be directed to Joan Troutman 717/732-7255.