

LEG REG REVIEW

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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.

AND NOW THERE ARE SIX...

Six session days remain before the General Assembly recesses in October to let members campaign. As of this point, the Senate appears to be holding firm to its position that there will be no lame duck Senate session despite pressure from Governor Rendell to complete his legislative agenda. One major agenda item moved closer to being finalized with a 181-17 House vote last week to approve changes to PA's Dog Law as it relates to commercial breeding of dogs.

BUSY INSURANCE WEEK

Passing the Senate and going to the Governor was SB 180 (Pippy-R-Allegheny) to provide service personnel and dependents an extension of dental and vision benefits equal to time spent on active duty. It compliments Act 83 of 2005 which did the same for health insurance benefits.

The Senate Banking & Insurance Committee:

- Amended and moved HB 2098 (DeLuca-D-Allegheny) requiring non-payment by insurers of health claims resulting from 'foreseeable adverse' events.
- Moved SB 1307 (Corman-R-Centre) regarding a new suitability test of sales of annuities to persons of any age. The bill spells out what analysis insurance producers must undertake in order to ascertain suitability. There is a fail-safe in that the insurance producer is not responsible for what he or she did not know or financial information that the client chose not to disclose.
- Moved HB 1177 (Fabrezio-D-Erie) regarding Blues' reimbursement for licensed clinical social workers

The House Insurance Committee:

- Moved HB 1462 (DeLuca) requiring coverage for routine care costs associated with clinical cancer trials
- Did not vote on HB 1105 (Curry-D-Montgomery) re bleeding disorder mandated coverage

PHC4 REAUTHORIZATION NOT ACTED UPON

The House Insurance Committee did not consider agenda item SB 1372 (Fontana-D-Allegheny) which would have re-authorized the PA Health Care Cost Containment Council (PHC4) before it goes out of business November 30, 2008. As before, the re-authorization got bogged down by a political matter, the re-authorization of the MCARE abatement fund, a special fund designed to help doctors defray medical malpractice insurance costs. The MCARE abatement fund expired December 31, 2007 because of a dispute between the Governor, who wanted MCARE abatement fund surplus money to help fund his Access to Basic Care proposal, and Republicans who wanted a clean re-authorization. In June, the re-authorization of PHC4 was caught up in this political minefield and as such missed its original sunset date of June 30.

SENATE SUPPORTS CLINIC EXPANSION

The cornerstone of Senate Republicans' alternative to Governor Rendell's Access to Basic Care plan moved a step closer with Senate Public Health & Welfare Committee approval last week of SB 5 (Erickson-R-Chester), a bill to expand the numbers of free clinics in the Commonwealth to reduce use of emergency rooms by the indigent.

SCHOOL BENEFIT CONSOLIDATION ON HOUSE FAST TRACK

House Democratic leadership has placed consolidation of all school district health benefit programs (except for Philadelphia) on the fast track with an introduction of HB 1277 September 15 and quick movement through the House Appropriations Committee. The earlier version of the legislation was HB 1841 which had stalled in its attempt to make it through the House Education Committee because of intense opposition by the PA Association of School Business Officers, the PA Association of Health underwriters, and others. HB 1277 is strongly supported by the teachers' union. An amendment is being offered to permit some school districts to opt-out of the new arrangement but its approval is uncertain since the bill sponsor, Dan Surra (D-Elk), is part of the House leadership. In addition, the bill has significant Republican support from those such as respected Rep. Steve Nickol (R-York) and Karen Beyer (R-Lehigh)

MOVEMENT ON DENTAL ASSISTANT LEGISLATION

The Senate Consumer Protection & Professional Licensure Committee moved HB 1257 (Pashinsky-D-Luzerne) expanding powers of dental assistants. This is one of the elements of Governor Rendell's Rx for Pennsylvania.

MORE BLUES CONSOLIDATION NEWS

The PA Insurance Department will close its public comment period on the consolidation between Independence Blue cross and Highmark Blue Shield October 10. Before then, the Senate Banking & Insurance Committee has two hearings scheduled for September 23 and October 7. The House Insurance Committee finished its final hearing on the Blues in early September.

UPCOMING THIS WEEK

- Senate Banking and Insurance Committee is meeting to discuss two health insurance bills:
 - SB 1453 (Corman-R-Centre) would increase the age for dependent coverage to 30. The House had previously passed Rep. Longiotti's legislation to do the same.
 - SB 1422 (White-R-Indiana) would establish a mini-COBRA where employees of firms with 2-19 employees could have COBRA-like coverage
- The House Majority (Democratic) Policy Committee is having another hearing September 25 in favor of Access to Basic Care (ABC), formerly known as Cover All Pennsylvanians in Montgomery County. The last Democratic hearing in the ABC series will be October 7 in Harrisburg,
- The House Consumer Affairs Committee will meet 9/23 to consider a home improvement contractor bill, Senate Bill 100 (Tomlinson-R-Bucks). It contains an insurance requirement.

AN UPCOMING HEARING... on Rate Cap Mitigation takes place this week, convened by the House Republican Policy Committee.

MISC...The Senate passed Senate Resolution 369 regarding National Fire Safety Prevention Week (don't forget to change your smoke detector batteries). On the House agenda this week is House Resolution 859 designating October 19-25 as Safe Teen Driving Week.