

## LEG REG REVIEW 2009, 19<sup>th</sup> Issue June 15

*LEG REG REVIEW is a periodic newsletter produced by PHILLIPS ASSOCIATES, a professional lobbying and consultant firm located near the State Capitol. It contains news on the legislative and regulatory scene in Pennsylvania that may be of interest to the Insurance and Business Communities. It is a free member benefit for those who are members of the Pennsylvania Association of Health Underwriters (PAHU) or Manufacturers Association of South Central PA (MASCOPA). Subscription information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 FAX 717/728-1164 or e-mail to [xenobun@aol.com](mailto:xenobun@aol.com). Please email [jtrout2792@aol.com](mailto:jtrout2792@aol.com) supplying both your name and e-mail address if you wish to be removed from this list.*

### NEW INSURANCE LAWS ENACTED

Pennsylvania has four new insurance laws thanks to passage by the General Assembly and signature by Governor Ed Rendell. These are:

- **Act 1: House Bill 84** prohibits health care providers from submitting claims for foreseeable preventable adverse events.
- **Act 2: House Bill 1089** establishes a mini-COBRA in Pennsylvania for groups with 2-19 lives. *IMPORTANT: There are notification requirements. You may want to read the text of the new law at [www.legis.state.pa.us](http://www.legis.state.pa.us) and type in hb1089 in the upper right. When looking at text, always look for the higher Printer's Number.*
- **Act 3: Senate Bill 189** increases health insurance dependent age to 30 if the person is unmarried, claims no dependents, is a PA resident. The measure will be fully implemented by year's end and is not retroactive.
- **Act 4: Senate Bill 89** reauthorizes the PA Health Care Cost Containment Council (PHC4).

### HOUSE BILL 1 READIED FOR FINAL HOUSE VOTE

House Bill 1 (Eachus-D-PA) is scheduled for a House floor vote next week after a bruising session in which 12 amendments were adopted and Republican criticisms were beaten back by the Democratic majority. The bill's core is to double the size of the adultBasic program and re-name it Expanded Adult Basic program, adding prescriptions and behavioral health in hopes of securing federal matching funds, and establishing a premium assistance program. Contractors would be limited to ten percent administrative costs.

Funding would come from the hoped-for federal match, Tobacco Settlement money, \$362 million, or approx. ½ of the MCARE abatement fund (provider retention account) – This was an account that assisted doctors in meeting their medical malpractice insurance costs but was a political casualty when the legislature refused to go along with Governor Rendell's Cover All Pennsylvanians proposal. The Community Health Reinvestment Agreement (Blues' surpluses being used to pay for uninsured programs) would also be used and, if not renegotiated, the Blues would be forced to pay a premium tax.

New amendments did not affect HB 1's core but added provisions to:

- Forgive doctor student loans over a ten-year period if they stay in Pennsylvania, funded by the MCARE abatement fund
- Requires insurers to cover telehealth treatment in certain situations
- Establishes the Hospital Electronic Information Incentive Program in order to try to secure some Stimulus Package money for that purpose
- Supply an additional \$80,000 in salary to dentists having graduated in the last three years who devote one-half of their practices in meeting needs of medical assistance patients.

## LOTS OF LEGISLATIVE ACTION

- **BUDGET:** The House Appropriations Committee defeated Senate Bill 850 on a party-line vote with Democrats voting no. SB 850 would have cut state spending below what the Governor had originally proposed last February. It is unclear whether Democrats will now amend HB 1416 as their alternative.
- **ESTABLISH NEW AGING DEPARTMENT:** HB 1152 (Mundy-D-Luzerne) creates the Department of Aging & Long-Term Care Living to integrate LTC services under one administrative roof...allied to Governor Rendell's Budget proposal. Status: Moved through House Aging & Older Adult Services Committee
- **ASKING FOR FEDERAL MCO DELAY:** House Resolution 333 (DeLuca-D-Allegheny) asks the Federal Government to delay its decision to invalidate the present assessment system for Managed Care Organizations (MCOs) participating in Medicaid. The U.S. decision is what prompted Governor Rendell to seek an "assessment" on all MCOs in Pennsylvania. Status: Moved by the House Insurance Committee.
- **CERTIFIED SAFETY COMMITTEES** for school districts: House Bill 1569 (K. Smith-D-Lackawanna) requires school districts to have certified safety committees, thus allowing a Workers' Compensation discount (Exempted are the six self insured districts). Status: Moved by House Labor Relations Committee.

## INSURANCE COMMITTEE SETS MEETING

The House Insurance Committee will meet June 23 to consider three bills. These include:

- HB 1102 (Kula-D-Fayette) would move persons on the adultBasic waiting list who has a limited coverage policy to the top of the list
- HB 1415 (Boyle-D-Montgomery) changing the Surplus Lines law
- HB 1476 (Thomas-D-Phila.) has the PHC4 doing a study on a proposed Health Trust Fund (one health insurance program) for all state employees

## FEDERAL POVERTY LEVELS CITED

Federal Poverty Income Guidelines levels (FPIG) were announced by the PA Department of Public Welfare as follows:

	100% FPIG annual	200%	250%
One Person	10,830	21,660	27,075
Family of 4	22,050	44,100	55,125

The complete chart is found at [www.pabulletin.com](http://www.pabulletin.com) (Vol.39, number 21)

## COMMITTEE WORK

- The House Health & Human Services Committee scheduled a June 18 hearing on the Governor's proposal to levy an "assessment" on Managed Care Organizations (NOTE: Re-scheduled from June 12)
- The House Insurance Committee convened a hearing on HB 215 (Barrar-R-Chester) to limit insurer reassessment of claims paid to one year.
- The House Commerce Committee will meet June 16 to consider a number of bills including one which amends the State Mortgage Reform Act to conform to new federal law. This would also affect consumer discount (loan) companies that do mortgages (HB 1654 sponsored by Chairman Peter Daley-D-Washington).

**HEADS UP! Two separate House sponsor memos now being circulated invite legislators to sign on to a single payer bill and a bill to consolidate school district benefit programs into one state-run plan.**