

LEG REG REVIEW 2010, 1st Issue January 11

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. Please email jtrout2792@aol.com supplying both your name and e-mail address if you wish to be removed from this list.

LEGISLATIVE SESSION DAYS POSTED

The General Assembly has released the days it expects to be in session for the first half of 2010.

House

Jan 5, 6, 7, 25, 26, 27; Feb 8, 9, 10; March 8, 9, 10, 15, 16, 17, 22, 23, 24; April 19, 20, 21, 26, 27, 28; May 3, 4, 5, 24, 25, 26; Jun 7, 8, 9, 14, 15, 16, 21-30

Senate

Jan. 5, 25, 26, 27; Feb. 1, 2, 3, 8, 9, 10 (Budget Hearings: 16, 17, 18, 22, 23, 24, 25); March 8, 9, 10, 15, 16, 17, 22, 23, 24 (Budget Hearings: 1, 2, 3, 4); April 12, 13, 14, 19, 20, 21; May 3, 4, 5, 24, 25, 26; June 7, 8, 9, 14, 15, 16, 21, 22, 23, 28, 29, 30

CORBETT JOINS ATTACK ON SENATE HEALTH MEDICAID PROVISION

PA Attorney General Tom Corbett has joined the ranks of other Republican Attorney Generals in questioning the U.S. Senate's approval of HR 3590 which guaranteed that Nebraska would not have to pay for its state matching funds despite an expanded eligibility of Medicaid and increase in state matching costs for other states. Research from the National Conference of State Legislatures using Urban Institute data suggests that Pennsylvania taxpayers will be required to pay an additional \$2.2 billion for PA's match after an initial federal subsidy period. In letters to constituents, Democratic Rep. Tim Holden used a higher figure of "over \$8 billion in Medicaid costs from FY 2013-2019." **NOTE:** *The Pennsylvania Association of Health Underwriters (PAHU) hand-carried letters to Pennsylvania U.S. House members January 7 protesting the closed meetings between House and Senate Democratic leaders instead of a formal open conference committee and referenced the increased cost of the proposed Medicaid expansion to PA taxpayers.*

HOUSE INSURANCE COMMITTEE MEETS

On January 7, the House Insurance Committee met and moved several bills:

- HB 2185 (DeLuca-D-Allegheny) to reauthorize CHIP with no sunset
- HB 1251 (Costa-D-Allegheny) to establish a grievance procedure for long-term care users
- HB 2041 (DeLuca) regarding towing

IN PASSING...Former Senator Terry Punt passed away in late December at the age of 59. As a lobbyist, I knew him as a solid friend to PA Agriculture and as one who initiated significant economic development legislation benefiting both his beloved south central PA region and the entire state. He, along with the Representatives from that area, also secured a grant to help one of my clients, the Forest Fire Museum Association, start their Forest Heritage Discovery Center in the Caledonia State Park.

POLITICS

- US Rep. Jim Gerlach announced his withdrawal from the GOP contest for the nomination for Governor and will instead focus on re-election to the U.S. House of Representatives. That leaves the Republican Governor's primary race with two contenders, Tom Corbett and PA Rep. Sam Rohrer (R-Berks).
- Incumbent Rich Grucela (D-Northampton) is retiring at the end of this session.
- It is very likely that PA Senator David Argall (R-Schuylkill) will announce his bid to unseat incumbent Democratic Rep. Tim Holden. He was elected to the Senate last year to fill the unexpired term of the late Senator Jim Rhoades.

CBO CITES TORT AS KEY TO REDUCE HEALTH CARE COSTS

The Congressional Budget Office (CBO) released December 29 correspondence with Members of Congress asserting that reducing medical malpractice tort costs was central to reducing overall health costs. It said that research showed that tort reform would lower both direct (medical malpractice insurance claims and premiums) and indirect costs (reducing diagnostic testing meant to reduce the risk of a lawsuit). CBO also suggested that tort reform would lead to lessened federal spending for health care (up to \$54 billion) because of the decreased utilization and cited no fewer than twenty studies backing up its research findings.

REGULATORY UPDATE

- The Insurance Department issued Notice 2010-02 to insurers directing that notices to auto policyholders being terminated use the Department's Harrisburg address when seeking a Department review of the cancellation or non-renew.
- PA Health Care Cost Containment Council (PHC4) released a meeting schedule which includes Review Committee meetings for January 20 and February 23. The Technical Advisory Committee meets February 25. The next PHC4 Council meeting is March 3-4. Details: 717/232-6787
- Essent of PA, Inc. is seeking a domestic certificate of authority to operate as a stock casualty insurance company in the Commonwealth.
- Of interest to Maryland insurance producers is the news that Maryland Insurance Commissioner Tyler resigned his position at MIA effective January 8 to become Chief Counsel to the Food & Drug Administration in the Obama Administration.
- The PA Workers' Compensation Security Fund assessment for 2009 is one-percent per a January 2 item posted in the [PA Bulletin](#). This charge will bring the Fund up to the statutory minimum of \$500 million. Carriers have been invoiced by the Department. Details: Laura Keller 717/783-8093

US ISSUES (MORE) GUIDANCE ON COBRA SUBSIDY

Phyllis Borzi, Assistant Secretary of the Employee Benefits Security Administration (EBSA), issued a statement regarding the December passage of the Defense Appropriations bill which contained a provision to extend the Obama Stimulus COBRA subsidy. The statement says that eligibility for the premium reduction extends through February 28 and the maximum period for receiving the subsidy has been extended for an additional six months (from 9 to 15 months). She also suggested that interested parties subscribe to the government's COBRA web site to get information on new notice requirements, updated guidance, fact sheets etc. Details: www.dol.gov/cobra. 1(866) 444-3272. **NOTE:** *The extension affects PA's mini-COBRA law too for the extension of eligibility period apparently but not for the increase from 9 to 15 months. The Insurance Department web site has a section devoted to mini-COBRA as listed below.*

http://www.portal.state.pa.us/portal/server.pt/community/health_insurance/9189/mini-cobra/595814