

LEG REG REVIEW 2010, 3rd Issue February 2

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.

POLITICAL SEASON OFFICIALLY BEGINS FEB. 16

Filing as a candidate for public office in 2010 officially begins February 16, the first day a candidate and supporters can circulate and file nomination petitions. This period lasts through March 9. Other days to note in the primary election cycle are:

- March 16 Last day to dispute nomination petitions
- March 17 Day to decide ballot position
- March 24 Last day for those submitting nominating petitions to withdraw
- April 19 Last day to register to vote before primary (Applications, queries for absentee ballots go to the local county Elections Board.)
- May 18 Primary

Positions being voted on include Governor, Lt. Governor, row offices (Auditor General, Treasurer etc.), every Congressional seat, US Senate (Specter seat only), all seats in the PA House of Representatives, one-half of the PA Senators. Details: www.dos.state.pa.us

POLITICAL NEWS

- Rep. Bill Kortz has withdrawn his name in the primary contest for Senator Specter's seat leaving U.S. Rep. Joe Sestak as the sole opponent to incumbent Specter in the spring Democratic primary.
- Democratic nominee for Governor Tom Knox has withdrawn from that primary race, choosing to throw his weight behind Onorato from Allegheny County. This move by the Philadelphia insurance executive strengthens Onorato's bid since he may be able to capitalize on some of Knox's Philadelphia base.
- Republicans have one more PA House vote with the February 1 return by Rep. Scott Perry (R-York) from Iraq.
- Two long-time GOP House veterans announced that they will be leaving the House at the end of this term. They are Rep. Merle Phillips and Rep. Russ Fairchild.

UPCOMING

- The April Reading I Day contact point is Sandi Boone 610/670-7066 (SBoone@yurconic.com). Featured speaker will be Insurance Commissioner Joel Ario.
- Ario is also a speaker at the Capitol Conference convened by the National Association of Health Underwriters in Washington March 8-10, 2010. (Details: www.nahu.org)
- Independent Regulatory Review Commission meets February 25 in Harrisburg.
- The Insurance Department has a number of February outreach events scheduled:
 - February 8 Services of the Insurance Dept. held in Kulpsville (Montgomery County)
 - February 11 Choosing a Continued Care Community held in Windbur (Somerset County)
 - February 16 Ways to Save on Insurance held in New Freedom (York County)
 - February 24 Health Privacy, Financial Privacy, ID Theft held in Harrisburg

ADULTBASIC RATES TO INCREASE

Effective March 1, the state's adultBasic plan for uninsured adults will see dramatic increases for those waiting in line to be enrolled. Their current average cost of \$330 per month will increase to \$600. The cost to those already in the adultBasic program will only go up one dollar to \$36 per month. In addition, a number of deductibles and benefits have changed:

- Co-pay goes from \$5 to \$10 except for preventive care
- Emergency co-pay goes from \$25 to \$50
- 10% coinsurance and \$1,000 maximum per year for all coinsurance will be the rule for: inpatient hospital services; physical, occupational and speech therapy; outpatient surgery; cardiac rehabilitation; chemo; diabetic supplies; pulmonary rehabilitation; respiratory therapy; home health care; skilled facility care; and inpatient rehabilitative therapy.

These changes affect approximately 3,500 who chose to purchase adultBasic while on the waiting list. The one-dollar per month increase affects the 40,000 people already enrolled.

EXPORT LIST INPUT SOUGHT

The Insurance Department has asked the industry for comment on what lines of insurance should be exempt from the usual three declinations necessary before coverage can go into the Surplus Lines market. This list is called the export list. It identifies types of insurance coverage which are not found in the standard market. Details: www.pabulletin.com January 30 issue.

INSURANCE FRAUD HEARINGS HELD

The last of three hearings on insurance fraud was held by the House Insurance Committee on January 28 in Blue Bell, PA, hearing testimony from Insurance Federation of PA, PA Association of Mutual insurance Companies (PAMIC), and PAHU. The PAHU speaker suggested that the legislature strengthen the Insurance Department's ability to oversee the insurance market by increasing its budget. He also said that imposing an arbitrary 85% medical loss ratio would reduce insurance companies' ability to spend significant amounts on fraud since the 15% left over from claims includes all overhead including taxes, payroll, marketing, etc.

TRAFFIC SAFETY LEGISLATION ADVANCES

Two bills dealing with drivers using hand-held devices for talking or texting saw action in the General Assembly last week. House Bill 2070 (Markosek-D-Westmoreland) makes texting by junior drivers an offense and prohibits all drivers from using hand-held devices for talking or texting. It passed the House January 26. Another bill by Rep. Markosek is House Bill 67. This moved through the Senate Transportation Committee and restricts the number of passengers a junior driver may have and requires seat belt use by junior drivers.

SENATE COMMITTEE TO MOVE INSURANCE LEGISLATION

The Senate Banking & Insurance Committee expects to consider three bills this week. They are:

- HB 526 regarding Credit Life insurance notifications to consumers re debt termination. This bill is supported by the PA Financial Services Association and others.
- SB 1112 enables Pennsylvania to comply with new federal legislation dealing with mental health parity (Wellstone/Domenici Law), genetic information use (GINA), and Michelle's Law.
- SB 1181 provides civil liability immunity for employees of insurers who investigate fraud.

SECRETARY CORNELIUS TO RESIGN

Secretary of the Department of Community & Economic Development (DCED) Sam Cornelius announced that he is leaving his post June 30 to become a college president in Virginia. He has served the Rendell Administration for about a year.