

LEG REG REVIEW 2010, 6th Issue March 8

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.

INSURANCE COMMITTEE SCHEDULES MARCH MEETINGS

The House Insurance Committee has scheduled two March meetings so far. First up is a March 18 hearing in Hershey to hear testimony on House Bill 1865 (Burns-D-Cambria) which seeks to require similar insurer treatment for orally administered cancer chemotherapy treatment as it does for intravenously administered treatment. **The second meeting is set for March 23 to vote on four bills:**

- HB 2206 (DeLuca-D-Allegheny) addresses liability for support of the indigent
- HB 246 (Mundy-D-Luzerne) amends the MCARE law to move to a total quality management system and offer hospitals a 20% discount on their med mal premium if they adopt this standard
- HB 247 (Mundy) on certificate of need
- HB 1606 (Yudichak-D-Luzerne) to establish an Office of Consumer Advocate for Health Insurance under the auspices of the Department of Community & Economic Development. This would be funded by an assessment on all insurers writing health insurance in the Commonwealth.

The full House may vote on SB 237 which establishes a suitability standard for annuities among other things.

NATIONAL HEALTH ACTION INTENSIFIES

At the national level, work on health reform intensified with President Obama's self-named Health Summit where Republicans were able to openly present differences with the President. Republicans suggested that it was political theatre versus a true attempt to discern consensus. On the Democratic side, the President said that he was including some GOP ideas but those were dismissed by Republican legislators as perfunctory. Speaker Pelosi et al appear to be moving toward House approval of the Senate bill, and then using the reconciliation process to hammer it through the Senate. Of interest to agents was the Big I's National Legislative Conference last week and the National Association of Health Underwriters' Capitol Conference this week where producers will press the case against voting for legislation that many in the industry believe will destroy the private sector employer health benefits system that exists today. **Details:** www.nahu.org. Particular focus at the NAHU meeting will be on congressional Blue Dog Democrats which in PA include Reps. Tim Holden and Jason Altmire who voted no on the original Obama-Pelosi bill along with first-term Democrats who voted for the original House bill, Representatives Chris Carney and Kathy Dahlkemper.

The other development nationally was a ***House vote on HR 4626 ending the McCarren Ferguson anti-trust exemption for health insurers***, setting the stage for direct federal oversight of the health insurance industry. The vote was not a state versus federal regulatory issue as much as it was congressional pique against insurance premium hikes (Anthem in California for example) and the Democratic leadership's anger at health insurers for opposing Obama-Pelosi legislation. The vote also offered political cover for those politicians who voted against Obama-Pelosi the first time but who felt they needed to show their independence from insurance interests. The vote was 406-19. All of PA congresspeople – Republican and Democrat - voted to pass this legislation. Rep. Pitts was not able to vote on the measure.

NFIP GETS REPRIEVE (SORT OF)

The National Flood Insurance Program (NFIP) had a near-death experience when the US Senate failed to extend its life past February 28 due to opposition by Senator Jim Bunning (R-KY) on a larger budget issue. After a short suspension, the NFIP got a voted extension until March 28. While no new flood policies could be issued between February 28 and March 3, existing policies were unaffected and claims payments were not halted. The NFIP became collateral damage in the larger issue raised by Bunning as to how an unemployment compensation payment and COBRA subsidy extension would be paid for.

POLITICS...

- Senator Tony Williams (D-Phila.) is seeking the Democratic nomination for Governor.
- Rep. Tim Solobay (D-Washington) will go after the seat held by retiring Senator Barry Stout (D-Washington).
- Mark Singel and Sen. John Wozniak are no longer seeking the congressional seat vacated through the death of US Rep. John Murtha from Cambria County.
- Rep. Scott Conklin (D-Centre) may be seeking the Democratic nod for Lt. Governor as well as re-election as state representative.

REGULATORY UPDATE

- In case you were wondering, sicon is back on line after a brief break due to the Insurance Department's conversion of producer licenses from two years from date of issue to month of birth. This conversion was designed to move PA into compliance with NAIC model producer licensing guidelines.
- The Bureau of Worker's Compensation publication *WC News & Notes* has ceased publication in hard copy format. Those wishing to access the electronic edition should go to L&I's web site www.dli.state.pa.us. The Bureau is offering an e-mail prompt that a new issue has been posted for those who contact RS-LI-BWC-Helpline@state.pa.us.
- Independent Regulatory Review Commission (IRRC) has two March meetings scheduled in Harrisburg, March 11 and 25.
- **CORRECTION:** The last issue of Leg Reg Review incorrectly listed the effective date of the new HITECH HIPAA Rule as February 27. The true date was February 17.

DEPARTMENT CONTINUES OUTREACH MEETINGS

The PA Insurance Department's outreach schedule includes sessions as follows:

- **March 8** ID Theft and Long-Term Care Insurance at the Emmaus Lions Club 6:30 p.m.
- **March 10** Auto/Rental Insurance etc. in PA Dept. of Education (employees only)
- **March 31** Insurance Fraud at the Columbia Senior Center in Lancaster County at 10:15 a.m.
- **April 21** Insurance Fraud at the Columbia Senior Center, same location, time

PHILLIPS ASSOCIATES UPDATE

As of April 1, we will have closed our downtown office due to high Harrisburg leasing costs. The new address for those who did use the Harrisburg office is 26 North Ninth Street in LeMoyne. This is just across the river on the West Shore and is less than five minutes from the Capitol. The headquarters address for PHILLIPS ASSOCIATES remains the same, 3610 Kent Drive, Mechanicsburg, PA 17050. All telephone numbers remain the same although there may be a temporary gap in phone service for 717/346-1063 and 717/232-9665 as the telephones are re-connected. Please use 717/728-1217 if you find that access is hampered or simply email PHILLIPS ASSOCIATES at xenobun@aol.com.

NOTE: This will not affect the 800 North Third Street location for the April 20 PAHU Day on the Hill.