

LEG REG REVIEW 2010, 23d Issue August 16

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 (MASCPA). 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.

ARIO HEADS TO DC

At month's end, PA Insurance Commissioner Joel Ario will leave his position as PA's chief regulator to become a key individual in the Obama Administration's drive to implement the exchange component of the Patient Protection Affordable Care Act. Specifically, Ario will be Director of the Office of Insurance Exchanges, part of the newly created Office of Consumer Information and Insurance Oversight (OCIIO) within the Department of Health and Human Services. One of his first responsibilities will be to work with staff in wading through numerous comments on how the Exchanges should be structured per a call from HHS for such input published in the August 3, 2010 Federal Register. **NOTE: Comments are due to HHS by October 4, 2010 via email (<http://www.regulations.gov>) and by prompting the 'More Search options' tab; or by US mail to Centers for Medicare & Medicaid Services, Department HHS Attention: OCIIO-9989-NC; Box 8010, Baltimore, MD 21244-8010. Questions: Donna Laverdiere 301/492-4100**

Ario was appointed to be PA Insurance Commissioner by Governor Ed Rendell after serving as Director of Insurance for the State of Oregon. Acting Commissioner is Larry Pratter, Executive Deputy Counsel with the Insurance Department's Office of General Counsel.

INSURANCE HEARINGS PLANNED

The House Insurance Committee plans two hearings. First up is a hearing on House Bill 2610 in Philadelphia August 24. This bill mandates that insurers cover hospice care or life extending treatment for children under 19. The second hearing takes place September 14 in Harrisburg on House Bill 2188, legislation whose goal is to strengthen PA law regarding oversight and regulation of viatical settlements.

Other upcoming hearings of interest are:

- August 18: House Labor Relations Committee on HB 2278 expanding family and medical leave
- August 19: House Health & Human Services Comm. on HB 1393 legalizing medically used marijuana

DESPITE OBAMA, HOUSE PASSES MULTI-PERIL FLOOD

Even though the Obama Administration sided with Big I, PIA, and insurance company trades to oppose making the National Flood Insurance Program one which also insures for wind damage, the US House of Representatives voted mostly along party lines for HR 1549 which would do that. All PA Democrats voted for. All PA Republicans voted against. Many in the insurance industry fear that expanding NFIP to include wind damage makes it fiscally unsound as well as unfairly competing with private sector insurers that offer wind damage protection.

POLITICS

- Leg Reg Review reported that Rep. Marc Gergely (D-Allegheny) might seek the Senate seat vacated by resigning Sean Logan. Since then, he announced that he is staying put as a candidate for re-election to his House seat.

GOVERNMENT NEWS

- Another Rendell Cabinet member is leaving the Administration. Department of General Services Secretary Jim Creedon is starting a consulting a consulting firm in the Lehigh Valley. The Acting Secretary is former Deputy Secretary Elizabeth O'Reilly.
- PA revenue figures for July 2010 showed \$1.7 billion in collections. When August figures are known, the Revenue Department will begin releasing figures comparing what was taken in versus the projection. This FY Budget needs \$28 billion in revenue and is already short by \$280 million because the Federal Government is sending PA less money for medical assistance than was assumed.
- Illinois domiciled Columbian Life Insurance Company has filed an application with Pennsylvania's Insurance Department to merge with PA domiciled National Safety Life Insurance Company.
- PA Health Care Cost Containment Council (PHC4) announced that it will convene September 9 in Harrisburg.

INSURANCE DEPARTMENT GIVES ACT 51 MINI COBRA GUIDANCE

In the August 14 PA Bulletin the Insurance Department issued Notice 2010-09 which states: This notice is issued to advise all entities subject to section 635.4 and section 635.5 of the act of May 17, 1921 (P.L. 682, No. 284), known as the Insurance Company Law of 1921, added by sections 5 764j) that a and 6 of Act 51 of 2010 (Act 51 or the Act) (40 P.S. § Federal premium assistance program is in existence for persons who had a qualifying event prior to May 31, 2010, that entitles those persons to Mini-COBRA coverage for a total of 15 months. In addition, those persons whose Mini-COBRA coverage was set to terminate prior to July 9, 2010, have the right to reinstate Mini-COBRA coverage for an additional 6 months of coverage beginning July 9, 2010. As set forth in the frequently asked questions on the Insurance Department's web site at www.insurance.pa.gov and the pre-June 1, 2010, model notice referenced therein, questions concerning the Federal premium assistance program under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5, 123 Stat. 115) and its successor laws may be directed to the Federal Centers for Medicare & Medicaid Services at <http://www.continuationcoverage.net/>. Questions regarding this notice may be addressed to the Bureau of Consumer Services, Room 1209, Strawberry Square, Harrisburg, PA 17120, ra-in-consumer@state.pa.us, or the toll-free automated hotline at (877) 881-6388.

US GOVERNMENT NEWS

- The US Internal Revenue Department issued IR-2010-87 to remind small non profit organizations that their tax-exempt status is at risk if they do not file back returns. The notice said that non-profits may check on a list published by IRS at their web site www.irs.gov to see if they are delinquent and, if so, they may file for an extension using Form 990-N. Back returns are due October 15. This emphasis on non-profit tax returns came from the Pension Protection Act of 2006 which mandated that all non-profits regardless of size must file a tax return to the IRS beginning in 2007.
- Businesses may wish to know that the US Department of Labor issued rules governing break time requirements for nursing mothers as part of the implementation of the Patient Protection Affordable Care Act. Effective March 23, 2010 was a requirement that employers give nursing mothers "reasonable break time" to express her milk in a location which shielded from view and free from intrusion. The space cannot be a restroom. Part of the Fair Labor Standards Act, this measure affects employers with 50 or more employees.

PHILLIPS ASSOCIATES ANNOUNCES SUMMER CE

Eight four-credit Continuing Education courses are offered by PHILLIPS ASSOCIATES in late August and early September in Wilkes-Barre, Towanda, Warren and Lancaster. Details; 717/732-7255.