

LEG REG REVIEW

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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.

SENATE WINDS UP 2011

The Senate will reconvene January 3, 2012 and by recessing for the holidays, puts pressure on the House to concur with the Senate-approved reapportionment plan. The House is in session until December 22.

DEPARTMENT GETS CHRISTMAS RATE PRESENT

The PA House passed Senate Bill 1336 (D. White-R-Indiana) restoring rate review authority to the PA Insurance Department. With a vote of 190-1 (Rep. Josh Shapiro-D-Montgomery being the dissenting vote), this concurrence means that SB 1336 goes to Governor Corbett for his signature. The bill requires prior approval for small group health insurance rate increases of ten percent or more and requires that such filing take place 45 days prior to the effective date. Rate increases of less than 10% must still be filed with the Department 45 days before the effective date even though the Department does not have to approve them. A link to the legislation appears below:

<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2011&sessInd=0&billBody=S&billTyp=B&billNbr=1336&pn=1839>

UPMC-HIGHMARK BILLS ADVANCE

Two bills addressing the contract dispute between Highmark and UPMC have advanced in their respective chambers. House Bill 2052 (Vulakovich-R-Westmoreland) passed the House December 15 186-6. Senate Bill 1358 (D. White-R-Indiana) went through the Senate Banking & Insurance Committee. HB 2052 mandates mediation and possible arbitration. SB 1358 extends a cooling off period that the Insurance Department may impose from six months to three years.

HHS CLAIMS STATE BENEFIT FLEXIBILITY IN EXCHANGES

On December 16, the Department of Health & Human Services announced that it would permit states to tailor the minimum essential benefit provision of the Patient Protection Affordable Care Act (PPACA) to their own state experience. The bulletin says that states may choose an existing plan as a model. It might be one of the three largest small group plans in the state, one of the three largest state employee health plans, one of the three largest federal employee health plan options, or the largest HMO plan offered in the state's own commercial market. The minimum essential benefits become the benefits package for the state Health Insurance Exchanges. The HHS move resulted from a series of regional hearings on essential health benefits including one in Philadelphia in November where PAHU testified and recommendations by the Institutes of Medicine (IOM) to model PPACA benefits after existing coverage rather than creating a new HHS standard.

HHS said that public comments are solicited and are due January 31, 2012 to essentialHealthBenefits@cms.hhs.gov.

REGULATORY UPDATE

- The Coal Mine Compensation Rating Bureau has requested a 17% loss cost reduction to Workers' Compensation. If approved by the Insurance Department, the filing would take effect April 1, 2012.
- Independent Regulatory Review Commission (IRRC) published its meeting schedule December 17. Early 2012 dates are January 12; February 26, March 15, April 5 and April 19. The full schedule was published in the December 17, 2011 PA Bulletin (www.pabulletin.com)

FEDERAL HHS UPDATE

- HHS claims that 2.5 million young adults are now insured because of PPACA's mandate that those under 26 can be covered under their parents' plan as a dependent. Unclear from the announcement was how many had some other type of insurance before or could have purchased an individual plan.
- Per a Federal Register December 13 notice, the Early Retiree Reinsurance \$5 billion PPACA program is effectively over with its monies expended. Originally, the program was to have lasted until 2014. It had subsidized claims based on Medicare schedules to health plans claims between \$15,000-90,000 as a way to keep insurance for retirees younger than 65 years of age when they could qualify for Medicare. Details:

<http://www.gpo.gov/fdsys/pkg/FR-2011-12-13/pdf/2011-31920.pdf>

BAD NEWS: PHILLY IS NUMBER ONE

Philadelphia has been named the Number One Judicial Hellhole of America per a listing presented by Americans for Tort Reform December 15. This recognition was based on " litigation tourism encouraged by some judges...plaintiff-friendly law, a reputation for high plaintiff win rate and generous awards (which)...contribute to Philadelphia's status as a venue of choice." Other top rankings in order are: California; West Virginia; South Florida; Madison and St. Clair Counties, Illinois; NYC and Albany, New York; Clark County, Nevada; and McLean County, Illinois. This is the second year for Philadelphia being ranked worst in the nation.

HOUSE COMMITTEE CLEARS MANDATED BENEFITS BILL

House Bill 272 (Hess-R-Bedford) mandates health insurance coverage for Lyme's disease, citing tick-borne ailments as a major problem in Pennsylvania with the Commonwealth having the highest incident rate in the Nation in 2009. On December 14, HB 272 moved through the House Human Services Committee. The bill is opposed by the insurance industry. Covered treatments include long-term prescriptions for antibiotics. *REQUEST FOR INFORMATION: Do most plans offer this coverage as a standard benefit? Please email your reply to xenobun@aol.com.*

TORT REFORM PROPOSAL CONTINUES MOVEMENT

House Bill 1976 (Cutler-R-Lancaster) is being readied for final House passage after being reported out of the House Appropriations Committee December 12. Introduced in November, this legislation requires that lawsuits be tried in the county where the cause of the lawsuit occurred or in the home county of the plaintiff. This is similar to a legal reform almost a decade ago addressing medical malpractice lawsuits. Its purpose is to discourage venue-shopping where cases are moved to jurisdictions where juries might be more sympathetic to pain and suffering lawsuits. On December 5, HB 1976 moved through the House Judiciary Committee. On December 7, the full House amended it and HB 1976 was re-referred to the House Appropriations Committee.

PHILLIPS ASSOCIATES wishes everyone a very happy holiday. 2011 has been a good year and we would like to express heartfelt appreciation for your subscribing to Leg Reg Review, receiving agency services through the Producer Plus program, hosting in-house Continuing Education, attending a CE class, letting us lobby for you and by commenting on articles you read in the Leg Reg Review. Most of all, we value your friendship. Many thanks!