

LEG REG REVIEW 2008, Thirteenth Issue

LEG REG REVIEW is a periodic newsletter produced by PHILLIPS ASSOCIATES, a professional lobbying and consultant firm based near the State Capitol. It contains news on the legislative and regulatory scene in Pennsylvania that may be useful to insurance producers, companies, and business interests. It is a free Member Service if you belong to the Pennsylvania Association of Health Underwriters or Manufacturers Association of South Central PA. Subscription information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 FAX 717/728-1164 or e-mail xenobun@aol.com. Please email jtrout2792@aol.com supplying both your e-mail and fax numbers in order to convert this publication to e-mail. If you wish to no longer receive it, please tell us.

LEGISLATURE ON RECESS UNTIL AFTER THE PRIMARY

The General Assembly has recessed until after the April 22 primary. The Senate will return April 28 and the House will be back May 5.

BEFORE THEY LEFT...

- The House rebuffed an attempt to pass HB 489 as a “clean” way to reauthorize the payments to doctors in the MCARE abatement program. The program was not re-authorized December 31, 2007 because of the Rendell Administration tying reauthorization to passage of Cover All Pennsylvanians, (CAP) now known as Access to Basic Care (ABC). The vote was 99-103.
- The House passed HB 2098 201-2 to permit insurance companies to restrict payments to providers for ‘foreseeable adverse events.’

APRIL 15 IS DEADLINE FOR AGING SUBMISSIONS

April 15 is the deadline for individuals or groups wishing to comment on the PA Department of Aging State Plan for 2008-2012. This Plan blueprints the agency’s work in helping seniors in areas such as housing, transportation, and long-term care. While the new Plan will take place October 1, 2008, there will be another three hearings June 3 in West Mifflin, June 4 in Pleasant Gap, and June 6 in Philadelphia. Insurance agents have long complained that the State Plan does not adequately include them as a resource in assisting the elderly in understanding insurance matters.

Input may be submitted to PA Department of Aging, c/o Division of Systems Planning and Consultation, 555 Walnut Street, 5th Floor, Harrisburg, PA 17101 or by visiting www.aging.state.pa.us.

UPCOMING COMMITTEE WORK

Committees are active in the recess period. Several upcoming hearings are:

- **House Insurance Committee** meets today in Pottsville to discuss House Bill 1121 (Yudichak-D-Luzerne) which establishes an Office of Consumer Advocate for Insurance. Tomorrow’s hearing is in Harrisburg regarding House Bill 1849 (Cohen-D-Phila.) requiring insurance coverage for Telehealth treatments.
- **The Senate Public Health & Welfare Committee** is convening a second hearing on free health clinics for the poor, this one in Upland April 15.
- On April 28 **the House Insurance Committee** meets in Pittsburgh to review House Bill 2101 (Readshaw-D-Allegheny) to amend the Unfair Insurance Practices Act to prohibit health insurers from requiring an insured to obtain ophthalmic services from a vision laboratory or company as a condition of obtaining the payment for the vision services. It also prohibits impediments from the insurer on consumers who go elsewhere such as higher co-pays, etc.
- On April 29, **the House Insurance Committee** holds a Pittsburgh hearing on HB 2251 (DeLuca-D-Allegheny), a proposal to consolidate all Commonwealth Rx programs into one.

- On April 23 in Folsom, the **House Labor Relations Committee** will hold a hearing on a bill (HB 2400- Lentz-D-Delaware) designed to target and punish employers who mis-classify workers for the purpose of obtaining a cheaper Workers' Compensation premium.
- The **Senate Majority Policy Committee** plans an April 30 hearing in Harrisburg on health care costs in PA. Witnesses are expected to focus on SB 1137 (the Access to Basic Care plan to create a new government program) and HB 2005 (prohibiting medical underwriting, setting an 85% claims to premiums ratio, and directing the Department to establish minimum coverage for health insurance plans). Expected to testify are groups such as NFIB, insurers, doctors, and PAHU.

INSURANCE NOMINATION WITHDRAWN

Governor Rendell has withdrawn the nomination of Joel Ario as Insurance Commissioner because of a rule requiring action on a nomination within a certain number of days. Ario has been Acting Commissioner since last summer. His nomination has been delayed because of ongoing disputes between the Senate and the Rendell Administration over (among other things) the proposed consolidation of Independence Blue Cross and Highmark/Blue Shield. Ario will still be performing his duties and the withdrawal does not affect that in any way. Rendell will doubtless re-nominate Joel Ario later this spring.

BLUES COMMENT PERIOD EXTENDED

The comment period for public input on the proposed consolidation of Independence Blue Cross and Highmark/Blue Shield has been extended for an indefinite time by the PA Insurance Department. The move was made to allow for more opportunity for comment. *NOTE: While the Department is accepting comments and working with the Blues re consolidation questions, the legislative authority to actually approve the merger must be passed by the General Assembly. A major sticking point is how much review and oversight the merger will have by the General Assembly.*

Comments should be addressed to Bob Brackbill, Chief, Company Licensing Division, PA Department of Insurance, 1345 Strawberry Square, Harrisburg, PA 17120 717/787-8557 or via email at rbrackbill@state.pa.us.

PHC4 ISSUES INFECTION STUDY

The PA Health Cost Care Containment Council (PHC4) has issued a report on hospital-acquired infections in PA. Hospitals reported that 30,237 patients hospitalized in 2006 contracted an infection, a rate of 19.2 per 1,000 cases. Details: www.phc4.org or 717/232-6787.

REGULATORY BRIEFS

- Lebanon Mutual Insurance Company has formally filed a Plan of Mutual-to-Stock Conversion with the PA Insurance Department.
- KnightBrook LLC has filed an application to acquire Northwestern Insurance Company, a PA stock casualty company.
- Columbia Insurance Company is seeking to acquire Philadelphia Reinsurance Company; a PA domiciled stock property insurance company.
- PHC4 has opened an opportunity to attorneys wishing to serve on a retainer basis. RFPs may be requested from 717/232-6787. The decision will be announced July 3.
- The Department of Public Welfare has released the updated Federal Poverty Income Guidelines for 2008 in the PA Bulletin (www.pabulletin.com, April 5, 2008). These apply retroactively to January 23.