

## **LEG REG REVIEW 2008, Sixteenth Issue**

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### **SENATE HOLDS HEALTH CARE HEARING**

The Senate Majority Policy Committee chaired by Sen. Jake Corman (R-Centre) convened a hearing April 30 to address health reform problems and to showcase Senate Republicans' view that some reforms envisioned thus far do not address health care costs. The meeting had several panels. First up were Senator Mike Folmer (R-Lebanon) and the Commonwealth Foundation. Second was a panel including the PA Chamber of Business & Industry, NFIB, and the Farm Bureau. Third was a Pennsylvania Assn. of Health Underwriters (PAHU) panel. Forth was a panel made up of the Insurance Federation of PA, PA Medical Society, Capital Blue Cross, and HAP, the hospitals' association.

PAHU re-stated its opposition to the Rendell plan (quasi-entitlement, costly over-utilization, crowd-out, and not addressing costs) and argued for private sector oriented alternatives including price transparency, a risk pool modeled after the PA Assigned Risk Plan for auto coverage, and tort reform. Other suggestions raised by panelists as personal views were relaxation of minimum participation requirements and a health insurer voluntary premium discount for specified wellness steps.

One question that came up was raising the dependent age. PAHU said that there might be adverse selection to some extent and that the word 'dependent' should mean those declared as dependent on the IRS return. Capital Blue Cross said that expanding dependent age has not reduced numbers of uninsured young adults in New Jersey. The Insurance Federation said that raising the age was not a bad idea. All panels agreed that the re-authorization of MCARE abatement fund should not be linked to passage of health reform (SB 1137) but the Commonwealth Foundation went a step further by saying that the abatement fund itself should be eliminated.

### **HOUSE INSURANCE COMMITTEE AGENDA – UPDATED**

The May 6 Insurance Committee meeting agenda has been changed. Taken off the agenda is HB 2094 (Frankel-D-Allegheny). This bill would require notice of premium changes to policyholders by health insurers. Added to the agenda is HB 2428 to limit the amount of insurance that a bank may require to cover replacement value of the home only. Other bills are:

- HB 1177 (Fabrizio-D-Erie) mandates Blues' reimbursement for licensed clinical social workers, similar to SB 998 (McIlhinney-R-Bucks), which passed the Senate before the primary recess and was referred to the House Insurance Committee. That decision to move a House bill instead of the Senate bill in the committee may mean that the Senate bill will be kept "handy" in case House leadership needs to run legislation germane to that law in June.
- HB 1485 (DeLuca-D-Allegheny) preserves confidentiality of insurance company information re financial condition. This bill is supported by the insurance industry but there are uncertainties re its consistency with the recently-enacted Open Records Law
- HB 1959 (Longiotti-D-Mercer) mandates return of Medigap premium if proof is supplied that other Medigap insurance was purchased.

## **COMMITTEE MEETINGS ABOUND**

With the return of the House this week, both House and Senate are in session. With this comes an accelerated pace of committee meetings in addition to the already referenced House Insurance Committee meeting. Some of the more notable include:

- May 6 the House Labor Committee considers HB 2400, (Lentz-D-Delaware) a bill to strengthen penalties for mis-identifying a worker as an independent contractor. It is opposed by business groups that regard it as punitive to the business community. A hearing on HB 2400 was held April 28 in Delaware County.
- Also on May 6, the House Appropriations Committee will discuss the Department of Public Welfare (DPW) budget for FY 2008-09. A major part of the Medicaid budget is long-term care.
- May 7 the Conference Committee on SB 246 will meet to further try to resolve differences between House and Senate versions of a smoking ban bill. Banning smoking in public places is part of Governor Rendell's Rx for PA.
- Sure to draw more fire is the continued consideration of SB 1250 (Brubaker-R-Lancaster) by the Senate Appropriations Committee May 5 which amends the PA Constitution to define marriage as being a union of a man and a woman.

The following week there is also important committee activity. On May 13, the House Consumer Affairs Committee plans to consider a packed agenda, much of which involves consumer credit protection issues (HB 279 & HB 1719) and amending the Unfair Trade Practices & Consumer Protection Act (HB 869 & HB 1483). The one attracting much attention is the bill to regulate home contractors, House Bill 1821. Among many other provisions, this bill requires contractors to show proof of general liability insurance covering injury and property damage.

## **REGULATORY UPDATE**

- The Insurance Department has made known its intention to eliminate a 1972 regulation affecting insurers. Insurers would no longer be prohibited from using the phrases 'legal reserve', 'old line reserve', or similar phrases in policies or other insurance forms. This is being done because the Department has not encountered any problems or issues in any market conduct or enforcement action.
- The Bureau of Workers' Compensation said that it has suspended its move to replace the Statement of Account form (LIBC-392) with Final Statement of Account of Compensation form (LIBC-392A). Both will be accepted until further notice. The Bureau said that it intends to provide the ability to file the following forms electronically:
  - LIBC-496 Notice of WC Denial (*May 2008*)
  - LIBC-501 Notice of Temporary Compensation Payable (*pending*)
  - LIBC-502 Notice Stopping Temporary Compensation (*pending*)
  - LIBC-495 Notice of Compensation Payable (*pending*)
  - LIBC-494C Statement of Wages (*pending*)

## **AGENCY MEETINGS**

- PA Health Care Cost Containment Council meets May 7 in Harrisburg. Details: 717/232-6787
- The Patient Safety Authority meets in King of Prussia May 12. Details: 717/346-0469
- An evaluation of Gov. Rendell's Strategic Sourcing Initiative (SSI) will be released by the Legislative Budget and Finance Committee May 14. When Governor Rendell initiated SSI, he did so using the rationale of saving state money by consolidating purchases. It has come under attack as discriminating against PA firms in favor of large national corporations.