

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.

HOUSE PASSES INSURANCE LEGISLATION

The PA House has passed a number of insurance bills. These include:

- House Bill 85 (DeLuca-D-Allegheny) requiring health insurers to cover clinical cancer tests
- House Bill 838 (Longiotti-D-Mercer) increasing health insurance dependent age to 30 (Its counterpart is SB 189 and similar language is found in HB 746 (DeLuca) which was the subject of a recent Insurance committee hearing.)
- House Bill 526 (DeLuca) requires return of unearned Credit Insurance premium to policyholders in event of a loan that is paid off early. It is supported by the PA Financial Services Association (PFSA) representing consumer discount loan companies.
- A forth bill, HB 602 (Pashinsky-D-Luzerne), helps complete a Rendell initiative within the Rx for Pennsylvania umbrella to expand powers to medically credentialed personnel. In this case, the profession is that of dental assistant. The rationale is that trained professionals should do some things that doctors (dentists) exclusively did before so as to reduce health care costs for the consumer.

SENATE MOVES INSURANCE BILLS

The House was not alone in moving significant insurance legislation. The Senate took action on:

- SB 89 Reauthorization of the PA Health Care Cost Containment Council (PHC4) (Vance-R-Cumberland). Unlike reauthorization efforts last year, this effort seems not to be entangled in the whole question of reauthorizing the MCARE abatement fund and whether surpluses could be used to fund Governor Rendell's health initiatives. The House counterpart is HB 173, now ready for a House vote.
- SB 443 (D. White-R-Indiana) gives insurers the ability not to pay for preventable adverse events.
- Increasing health insurance dependent age to 30 is the subject of SB 189 (Corman-R-Centre) in an effort to reduce the numbers of uninsured in this younger population. Because the House passed HB 838 and the Senate passed SB 189, it is unclear which version will finally move but the outcome will be known probably around budget time in May/June when House and Senate leaders negotiate which bills move before the summer recess.

HOUSE INSURANCE TO MEET ON TWO BILLS

On March 31, the House Insurance Committee will meet to consider two bills. The first, HB 1119 (DeLuca-D-Allegheny) establishes a suitability requirement for annuities following the NAIC Model Act. It resembles a similar bill advanced by Sen. Jake Corman (R-Centre), SB 189. The second bill on the agenda is HB 1089 (Matzie-D-Allegheny) to establish a mini-COBRA for groups with 2-19 employees. The focus is to capture the federal 65% premium subsidy contained within the Stimulus Package. This bill is a Democratic version of legislation advanced both last session and this by both the House and senate Republican Caucuses.

MISC. BILL NOTE: Last issue of Leg Reg Review contained an article about a proposal to impose a sales tax on political advertising and use it to pay for state uninsured programs. The bill number is House Bill 642 (DeLuca-D-Allegheny).

REFERENCE GUIDE TO (some) INSURANCE LEGISLATION -- II

Please make note of the following bills that have been introduced in 2009. As the legislative process continues, it will become even more confusing to keep track of the players. Text of these bills is available at www.legis.state.pa.us. **NEW BILLS SINCE LAST ISSUE OF LEG REG REVIEW ARE MARKED IN BOLD.** Expect one more of these to bring you up to date on insurance legislation proposed thus far in this session of the general Assembly.

- **ANNUITY SUITABILITY:** SB 189 (Corman-R-Centre); **HB 1119 (DeLuca-D-Allegheny)**
- **CERTIFICATE OF NEED:** **HB 247 (Mundy-D-Luzerne)** reinstates a certificate of need approved by the state before a medical facility can invest in certain high-cost equipment. The bill also bans compensation going to health providers who own an interest in referred to facilities.
- **CLAIM PAYMENT:** Permits insurers not to pay claims for preventable adverse events (D. White-R-Indiana); **HB 215 (Barrar-R-Delaware)** Bans an insurer from more than a year look-back (fraud investigation) if the claim has been paid to the health care provider.
- **CLINICS EXPANSION:** SB 5 (Erickson-R-Chester)
- **CONFIDENTIALITY:** HB 911 (DeLuca-D-Allegheny) protects insurer data from reach of Open Records Act
- **CONSOLIDATION OF BENEFIT PROGRAMS:** HB 267 directs the Legislative Budget & Finance Committee to examine feasibility of consolidating state benefit programs into one health insurance trust; No introduction of school benefit consolidation yet
- **CREDIT SCORING:** HB 377 (J. White-D); HB 397 (Youngblood-D-Phila.); SB 95 (A. Williams-D-Phila.); **HB 1077 (Waters-D-Phila.)**
- **DEPENDENTS UNTIL AGE 30:** HB 838 (Longietti-D-Mercer) and SB 189 (Corman-R-Centre)
- **ELECTION OF INS. COMMISSIONER:** HB 771 (Petri-R-Bucks)
- **FLOOD INSURANCE:** HB 925 (Hanna-D-Clinton) to limit amount of Flood Insurance a lender may require; HB 323 (Miller-R-York) providing Flood Insurance premium assistance
- **LANGUAGE IN POLICIES:** Requiring Spanish to be used in insurance policies, endorsements, riders, advertising SB 595 (Stack-D-Phila.)
- **LONG-TERM CARE:** HB 763 (Petri-R-Bucks) would establish a 20% of premium LTC insurance tax credit
- **MANDATED BENEFITS:** Mandated cancer clinical trials HB 85 (DeLuca-D-Allegheny); HB 954 (Gibbons-D-Beaver) mandating coverage for home health care following chemotherapy; HB 620 (Curry-D-Montgomery) hemophilia; **SB 668 (Logan-D-Westmoreland) hemophilia**
- **MINI-COBRA:** SB 442 (D. White-R-Indiana); **HB 1089 (Matzie-D-Allegheny)**
- **PHC4 REAUTHORIZATION:** HB 173 (Eachus-D-Luzerne); SB 89 (Vance-R-Cumberland)
- **PREMIUM REFUND:** HB 526 (DeLuca) would refund unearned premium for Credit Insurance if a loan is paid off early
- **PREMIUM SUBSIDY PROGRAMS:** HB 523 (DeLuca-D-Allegheny) establishes the Landslide Insurance and Assistance Program within the PA Emergency Management Agency (PEMA); SB 135 (Erickson-R-Chester) establishes a premium subsidy program for the purchase of certain types of environmental liability insurance
- **RATE REFORM:** HB 746 (DeLuca-D-Allegheny) eliminates medical underwriting etc.
- **RISK POOL:** SB 507 (Folmer-R-Lebanon)
- **Rx:** SB 616 (Rafferty-R-Montgomery) and HB 866 (Goodman-D-Schuylkill) prohibits requiring mail order prescriptions in a health plan or penalizing policyholders who prefer a local pharmacist.
- **SURPLUS LINES:** SB 493 (Stack-D-Phila.) revamps regulation of the E&S market in PA