

LEG REG REVIEW 2009, 12th Issue April 6

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.

PLEASE NOTE: I will be out of state this week. Please contact Tyrone Watford 717/346-1063 or Joan Troutman for CE queries 717/732-7255. I will return Monday April 13.

Regards, Vince Phillips

HOUSE DEMOCRATS ANNOUNCE HEALTH REFORM PACKAGE

Last week, House Democrats announced their health care reform agenda known as “Health PAct”. Those bills with Senate counterparts have the Senate bill number in parentheses after the sentence.

Although the actual text was not available as of April 4, **House Bill 1** incorporates Governor Rendell’s desire to double the size of the adultBasic program. It also represents a scaled back version of reform as compared to the Governor’s original idea to create a new quasi-entitlement program called Cover All Pennsylvanians and later Access to Basic Care (ABC). Not to confuse the issue, but this year’s label is also ABC – ‘Adult Basic Coverage’. It does expand adultBasic’s benefits to include Rx, behavioral services, chronic care and disease management, preventive and wellness care. Supporters hope that the added benefits will provide the Federal Government with the impetus to provide matching dollars. HB 1 is also expected to include a premium subsidy program for employees modeled after the existing HIPP housed at the Department of Public Welfare.

Other bills included in the House Democratic package:

- **HB 84** prohibits a health care provider from submitting a claim for a preventable adverse event. (SB 443)
- **HB 173** re-authorizes the PA Health Care Cost Containment Council (SB 89)
- **HB 1089** establishes a mini-COBRA in PA for groups with 2-19 lives. One goal is to capture the Federal 65% premium subsidy enacted as part of the Obama Stimulus Package. (SB 442)
- **HB 746** is perhaps the most controversial as it eliminates medical underwriting; establishes a medical loss ratio of 85% for all carriers, profit and non-profit; establishes a rating plan of 33% for carriers with more than 10% market share in a region and 50% for those with less than 10 percent. There is more in the bill and readers are recommended to visit www.legis.state.pa.us for the complete text.
- **HB 838** would expand age of health insurance dependents to age 30. (SB 189)

ANNUITY SUITABILITY BILLS MOVE

Two bills designed to enact the NAIC Annuity Suitability standard are moving. HB 1119 passed the House Insurance Committee last week while its more comprehensive Senate counterpart, SB 237 had already been approved by the Senate Banking & Insurance Committee and the Senate Appropriations Committee.

PERSONNEL NOTES

- Steve Stetler was confirmed by the PA Senate as Secretary of the Budget.
- DEP Acting Secretary John Hanger’s nomination was moved by the Senate Environment & Natural Resources Committee and now awaits a confirmation vote by the full Senate.

SENATE PASSES BENEFIT LIMITS

The PA Senate passed SB 9 (Scarnati-R-Jefferson) by a vote of 41 to 9. The legislation would require proof of citizenship for those seeking public benefits including Medicaid. DPW has argued that this won't have much impact since, in their view, there is little, if any, illegal access to public assistance programs. Public assistance agencies would rely on the Federal Alien Verification of Entitlement data base for verification. One exemption in the bill is for children under 18 which presumably means that they could potentially be eligible for CHIP. If so, that might put the state in a possible non-compliance situation with the recent Federal CHIP reauthorization legislation that excludes undocumented aliens from receiving CHIP.

LTC BILLS TO WATCH

- Governor Rendell's plan to consolidate long-term care programs of the Department of Aging and the Department of Public Welfare into a new Department of Aging and Long-Term Care Living has a bill number. **House Bill 1152** may be accessed via www.legis.state.pa.us.
- The House passed several long-term care bills including:
 - **HB 245** expands the Family Caregiver Program
 - **HB 56** requires mandatory reporting of neglect by employees of long-term care facilities
 - **HB 309** further defines dementia and requires doctors to disclose financial interests they may hold in a long-term care facility
 - **HB 312** increases information supplied to consumers by health care facilities and would help consumers compare licensing information, certifications and enforcement actions, if any.
 - **HB 372** changes the Health Care Facilities Act to further define nursing facility inspection procedures

PRIVACY BILLS MOVE

Three privacy bills also saw movement. **Senate Bill 299** (Corman-R-Centre) making 'phishing' illegal was passed by the full Senate. Receiving House approval was **House Bill 222** (Baker-R-Tioga) which requires convicted identity thieves to pay restitution to their victims to help offset investigation and legal expenses. The other bill is **SB 155** which addresses governmental responsibilities to address a breach of confidential information. (Pileggi-R-Delaware)

OTHER BILLS SEEING MOVEMENT

Other pieces of legislation seeing action in the General Assembly were:

- **HB 911** protects confidential insurance company documents from access under the Open Records Act. It passed the full House and has been referred to the Senate.
- **Resolutions adopted:**
 - SR 66 recognizes Hemophilia Awareness Month
 - SR 76 Autism Awareness Month
 - HR 166 Financial Literacy Month

FEDERAL NOTES

- Employers should note that effective April 3, a new version of Form I-9 Employment Eligibility Verification has been issued, rendering the previous version of the form invalid.
- The IRS issued more COBRA subsidy guidance re definition of termination including 58 questions and answers. Details: <http://irs.gov/pub/irs-drop/n-09-27.pdf>