

## LEG REG REVIEW 2009, 14<sup>th</sup> Issue April 27

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### GOVERNOR RENDELL PLANS TO LET PROVIDER RETENTION DIE

On April 23, Governor Rendell said that he does not plan to seek re-authorization of the provider retention account, also known as abatement fund, in the MCARE program administered by the Insurance Department. The abatement fund paid for part of doctors' medical malpractice MCARE assessments in exchange for their promise not to leave Pennsylvania. In his press conference, he said that things had improved so much as to make the program unnecessary. Some reasons cited:

- Premium reductions for standard medical malpractice carriers and more carriers offering medical malpractice insurance
- Joint Underwriter Association (JUA), the insurer of last resort, has fewer doctors needing its coverage (less than 800 doctors versus 1600 in 2003)
- Fewer medical malpractice cases hitting the courts. Rendell said that two legislative reforms made the difference. One was a requirement for a certificate of merit (verification by a medical practitioner saying that the procedure was sub-standard). Second was a venue law stating that medical malpractice cases had to be tried in the county where the alleged occurrence took place rather than 'venue-shopping' to jury-generous Philadelphia or Pittsburgh.

### COURTS ISSUE MED MAL STATS

The Administrative Office of the Courts issued statistics in early April documenting the trends in medical malpractice cases filed by county. Some results for key counties:

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Philadelphia	<b>1,162</b>	1,365	557	559	540	569	586	<b>553</b>
Allegheny	<b>372</b>	426	272	297	324	301	262	<b>275</b>
Lehigh	<b>78</b>	58	101	93	78	70	62	<b>62</b>
Erie	<b>56</b>	59	44	34	34	40	36	<b>24</b>
Dauphin	<b>83</b>	82	43	41	44	39	51	<b>46</b>
Lackawanna	<b>69</b>	55	34	31	35	35	39	<b>36</b>
Luzerne	<b>31</b>	28	38	79	36	41	46	<b>54</b>
York	<b>40</b>	48	33	15	20	15	23	<b>23</b>
Westmoreland	<b>63</b>	65	49	26	35	27	18	<b>19</b>
Montgomery	<b>26</b>	21	14	102	104	95	103	<b>81</b>

### SENATE COMMITTEE TO HOLD LONG-TERM CARE HEARING

On May 5, the Senate Banking & Insurance Committee holds a hearing on Long-Term Care Partnerships and how they have impacted the market for this type of insurance. Senators will hear testimony from insurers and insurance agents.

## **REPUBLICANS TO HOLD SINGLE PAYER HEARING**

The House Republican Policy Committee convenes April 30 at Edinboro University in northwest PA to discuss the single payer system. Those testifying include the Pennsylvania Association of Health Underwriters (PAHU) who will showcase Australia's experience with single payer. Upcoming is another Policy Committee hearing on universal care with the focus on experiences in Massachusetts ("The Connector") and the failed TennCare plan from Tennessee.

## **COMMITTEE WORK NEXT WEEK...**

- The House Finance Committee takes up House Resolution 262 (Levdansky)-D-Allegheny that asks the U.S. Congress to pass the federal union card /election bill. This resolution is a Democratic counterweight to Republican Rep. Curt Shroder's resolution urging Congress to reject the measure.
- The Senate Communications & Technology Committee will look at Senate Resolution 77 (Folmer-R-Lebanon) to designate May 5 as Health Care Information Technology Awareness Day.
- The Senate Transportation Committee is expected to vote on SB 143 (Tomlinson-R-Bucks) to ban cell phone use while driving.
- The Senate Consumer Protection & Professional Licensure Committee takes up two bills designed to expand authority of medical assistants so as to reduce health care costs by diverting more routine treatments away from more expensive doctors. They are HB 602 for dental assistants (Pashinsky-D-Luzerne) and SB 753 for pharmacy technicians (Rafferty-R-Montgomery)
- Controlling ATM fees is the aim of a House Commerce Committee hearing in Philadelphia (HB 394 by Rep. Rosita Youngblood-D-Phila.).

## **COMPLAINT DEPARTMENT**

Each year the National Association of Insurance Commissioners (NAIC) issues a tabulation of complaints consumers have filed to the regulators. In 2008, 195,669 such complaints were included in the survey. (NOTE: These are resolved complaints where the case was closed. It does not include the 100s of thousands of inquiries and concerns reported to insurance departments where no formal complaint is ultimately filed.)

The top five reasons for complaints were:

1. Delays in payment of claims (26,844) 19.1%
2. Denial of claim (25,851) 18.4%
3. Unsatisfactory settlement/offer (20,021) 14.2%
4. Premium and rating (6,444) 4.7%
5. Cancellation (5,618) 4.0%

Complaints by type of coverage were Health at 36.9%; Auto 36.7%; Homeowners 11.8%; Life and Annuities 9.5%; Commercial 1.9%.

## **ADMINISTRATION PEOPLE...**

- John Hanger was confirmed by a 45-5 vote by the PA Senate as Secretary of the Department of Environmental Protection
- Sandi Vito was confirmed as Secretary of Labor & Industry by the Senate, again by a 45-5 vote. There was some late controversy that erupted after the Senate Labor & Industry moved to recommend confirmation. L&I issued an edict prohibiting Bucks County firm Worth and Company from bidding on any government work for three years, about 80% of its business representing 500 jobs, because of alleged violations of prevailing wage laws.
- The Governor's Secretary of Legislative Affairs Steve Crawford moves up to become Chief of Staff while incumbent Chief of Staff Greg Fajt moves to become Chairman of the PA Gaming Control Board.