

## 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 Pennsylvania legislation and regulations impacting the Insurance and Business Communities. It is a free member benefit for those who are members of the Pennsylvania Association of Health Underwriters (PAHU). Subscriptions are \$100 per year and further information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 FAX 717/232-7005 or e-mail to [xenobun@aol.com](mailto:xenobun@aol.com). Please email [jtrout2792@aol.com](mailto:jtrout2792@aol.com) supplying both your name and e-mail address if you wish to be removed from or added to this list. Whether it means meeting your CE need or helping with a particular problem/question, please visit our web site to explore how PHILLIPS ASSOCIATES may be of service to you, your employees and your clients. [www.vphillipsassoc.com](http://www.vphillipsassoc.com)*

#### SENATE RETURNS TO HARRISBURG THIS WEEK

Some Senate agenda items include:

- **Senate Bill 133** (Ward-R-Westmoreland) brings Pennsylvania in compliance with the Federal Real ID program. Not doing so would mean PA driver licenses not being recognized as a form of identifications for commercial flights in 2018.
- **Senate Bill 274** (Gordner-R-Columbia) recognizes certified registered nurse anesthetists and requires that they have Medical Malpractice insurance.

#### INSURANCE COMMITTEE MOVES INTERSTATE HIGH DEDUCTIBLE PLAN BILL

The House Insurance Committee reported out **House Bill 133** (Baker-R-Tioga) on March 13. The Insurance Department would be required to “develop flexible guidelines” for coverage and approval of health savings account eligible high deductible plans and “encourage and promote the marketing” of health savings account eligible high deductible plans by insurers (but not to “be construed to authorize the sale of insurance in violation of requirements relating to the transaction of insurance or prohibiting the interstate sale of insurance.”) The Department would also be required to study high deductible plans in other states as to whether they should be available to PA citizens and develop a fast-track or automatic approval process for health savings account high deductible plans approved in other states. **NOTE:** *PA Association of Health Underwriters do not support interstate marketing of insurance, preferring the state-regulated system as it exists today.* A link to the bill language follows:

<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=HTM&sessYr=2017&sessInd=0&billBody=H&billTyp=B&billNbr=0131&pn=0096>

#### COMMITTEE WORK

- House Finance Committee meets March 21 to consider **House Bill 291** (Metzger-R-Bedford/Somerset) which would eliminate the Inheritance Tax on minor children who inherit property.
- On March 21, a joint hearing of the House and Senate Transportation Committees will focus on highly automated vehicle testing (**Senate Bill 427** sponsored by Senator Vulakovich-R-Allegheny)
- A joint meeting of the Senate Aging & Youth Committee, Health & Human Services Committee, and Intergovernmental Operations Committee will examine Governor Wolf’s proposal to consolidate Departments of Aging, Health, Drug & Alcohol Programs, and Human Services into one Department of Health & Human Services. (March 29)
- A joint March 29 hearing of the House Labor & Industry Committee and the House Veterans Affairs & Emergency Preparedness Committee will look at impact on State Workers’ Insurance Fund (SWIF) from the Cancer Presumption Act which classified cancer as an occupational disease for fire fighters’ Workers’ Compensation purposes.

## **PHILADELPHIA SPECIAL ELECTION THIS WEEK**

On March 21, voters in the 197<sup>th</sup> House district will decide who will fill the seat of former Rep. Leslie Acosta (D-Phila.). Although this district is heavily Democratic, the only candidate on the ballot is Republican Lucinda Little. Democratic contestants were voided because of late filings and residency issues. Democrats will try a write-in campaign to retain this seat.

## **PEOPLE**

- Revenue Secretary Eileen McNulty is stepping down as Revenue Secretary in April. She will be replaced by C. Daniel Hassell.
- Former Senator Dick Tilghman (R-Schuylkill) passed away at the age of 97. He served one term in the PA House before moving to the Senate for 32 years including 27 years service as Chair of the Senate Appropriations Committee.
- Abdoul Barry is the new Legislative Liaison for the PA Insurance Department. Previously, he served in a similar capacity for the PA Department of Aging. He also was the Democratic Executive Director of the House Health Committee.

## **REPUBLICAN ACA REPLACEMENT IS UP FOR A VOTE THIS WEEK**

U.S. House legislation to repeal and replace the Affordable Care Act (ACA) expects a vote by the full House Thursday March 23 after moving through the House Ways and Means and Energy & Commerce Committees and surviving a one vote near-death by experience in the House Budget Committee. For a Kaiser Family Foundation summary of the American Health Care Act's provisions, please refer to <https://lintwavy.files.wordpress.com/2017/03/kkf-summary-of-the-american-health-care-act-march-2017.pdf>.

## **TRUMP RELEASES BUDGET VISION**

On March 16, President Donald Trump released his proposed Federal Budget for the Fiscal Year beginning October 1, 2017. While not binding in any way, it sets the tone for congressional action which must begin in the U.S. House of Representatives. The Trump Budget would increase Pentagon and Homeland Security spending while cutting EPA, HUD, USDA, and the Department of State/foreign aid budgets. The Department of Health & Human Services would see a 17.9% or \$15.1 billion cut. Some budget items were increased, for example, \$500 million more going to expand opioid misuse prevention efforts and recovery services for those suffering from opioid addiction. The Office of Management & Budget (OMB) summary is at [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018\\_blueprint.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf)

## **REGULATORY UPDATES**

- TransRe London Limited is seeking designation from the PA Insurance Department as a certified reinsurer.
- In addition to the annual assessment to health care providers from the Medicare Care & Reduction of Errors Fund (MCARE) as the middle tier for Medical Malpractice Insurance, the PA Health Department announced the 2017 assessment on ambulatory surgical facilities, birth centers, abortion centers and hospitals to fund the Patient Safety Authority. The 2017 assessment is \$6.675 million which amounts to approximately \$158.42 for each covered entity. The assessment is payable by May 31, 2017. Details: Garrison E. Gladfelter 717-783-8980
- Because of a balance exceeding \$500 million, the Workers' Compensation Security Fund will NOT be assessing insurers this year. (insurance Department Notice 2017-02)