

LEG REG REVIEW 2017, 13th Issue *** March 27, 2017

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. Please email 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

AFFORDABLE CARE ACT AVOIDS REPEAL & REPLACE...FOR NOW

Republican Speaker of the U.S. House of Representatives Paul Ryan pulled the plug on voting for the GOP alternative to the Affordable Care Act Friday March 24 because not enough Republican votes were there to see the bill progress to the Senate. The GOP proposal, H.R 1628, the American Health Care Act, had zero Democratic support and over 40 Republican Members indicated that they would be voting 'no'. In PA, Republican Representatives Scott Perry, 'G.T.' Thompson, Charlie Dent, and Brian Fitzpatrick either said they would vote no or were leaning no. Speaker Ryan indicated that the House would now focus on tax reform legislation and that repealing and replacing Obamacare would wait.

There is more U.S. House health legislation that did go through although they were obscured by the larger news about H.R. 1628. Legislation to remove the anti-trust exemption for health insurance companies was passed by a 416-7 vote. **H.R. 372 amends the 1940s McCarran-Ferguson Act.** The second bill, **H.R. 1101** passed by a partisan vote of 236-175. It would allow association health plans, something about which the National Association of Health Underwriters (NAHU) has long raised concerns. According to conservative lobbying group Freedom Works, *"The Small Business Health Fairness Act would help level the playing field for small businesses, which don't have the negotiating power of larger firms and exemptions under Employee Retirement Income Security Act (ERISA)."* Property casualty insurers are not included in the scope of H.R. 1101.

PA COMMITTEES HOLD HEARING ON AUTONOMOUS CARS

On March 21, a joint hearing of the House and Senate Transportation Committee heard testimony on driverless cars and how to regulate their testing and ultimate use. Although proponents discussed reliability and safety from autonomous driving systems, the AAA Federation raised a liability concern. Their testimony asked, *'If a vehicle causes a crash in autonomous mode, who is liable – the human operator, the vehicle owner, their insurance company, the automaker that built the vehicle or the company that developed the autonomous vehicle software?'* The Insurance Federation of PA (IFP) said that the insurance industry was "conflicted", seeing considerable potential in reducing auto accidents and injuries, contrasting with safety issues arising from unproven technology and experimental cars to be tested on public roads. IFP also raised questions about the insurance for those testing the vehicles as well as cyber concerns. As a caveat, IFP attached a February 28 article which cited a New York Times report that Uber's self-driving cars ran through six stoplights in the San Francisco area. (<https://arstechnica.com/cars/2017/ubers-self-driving-cars>)

IN CASE YOU MISSED IT...The Senate on March 22 passed Senate Bill 274 (Gordner-R-Columbia) recognizing the profession of certified registered nurse anesthetist. Under this bill, those nurses would be required to have Medical Malpractice insurance. SB 274 now moves to the PA House.

POLITICS...The PA Department of State released final votes for the special election race in Philadelphia following the departure of former Rep. Leslie Acosta (D-Phila.). Republican Lucinda Little received 198 votes. There were 2,483 write-in votes for various Democratic candidates but no one had enough write-ins to beat Representative-elect Little. The district is 85% Democrat but Democrats were unable to keep their candidate on the ballot after a judge ruled that the candidate did not meet residency requirements.

COMMITTEE WORK

- On March 21, the Senate Judiciary Committee voted 14-1 to report out Senate Bill 95 (Farnese-D-Phila.). This would create a process to quickly eliminate Strategic Lawsuits Against Public Participation (SLAPPs) based on protected speech through a motion to dismiss. SLAPPs are regarded by SB 95 advocates as attempts to deter persons or groups from speaking out on a matter of public interest or regulation. According to Senator Farnese, 28 states have similar laws and his bill would expand an existing 2000 PA law which provides anti-SLAPP protection in the limited areas of environmental laws and regulations.
- The House Democratic Policy Committee has a hearing on towing legislation in Pittsburgh March 28.
- On March 29, House Democrats are holding a hearing on the impact repeal and replacing of the Affordable Care Act would have on Pennsylvanians. Leading this are House Democratic Caucus Chair Dan Frankel (D-Allegheny) and House Minority Insurance Committee Chair Tony DeLuca (D-Allegheny). **NOTE:** Given the U.S. House not taking up the GOP alternative to the Affordable Care Act Friday, there is a possibility of re-scheduling.
- The Senate Labor & Industry Committee reported out Senate Bill 250 (Ward-R-Westmoreland) to transfer \$15 million from the Unemployment Compensation Fund to the Service and Infrastructure Improvement Fund. The vote was 8-4 with negative votes coming from Republicans.

AGENCY CONSOLIDATION HEARINGS COMING UP

On March 29, Senate Aging and Youth, Senate Health and Human Services, and Senate Intergovernmental Operations Committees are convening a joint public hearing to examine the impact on the Commonwealth from Governor Tom Wolf's proposed consolidation of four Cabinet departments into one. During recent House and Senate Appropriations Committees' hearings on the proposed State Budget for FY 2017-18, concerns were raised about a loss of attentiveness to specific groups such as the elderly or those needing drug or alcohol abuse treatment from consolidation. The proposal seeks to merge Departments of Health, Aging, Drug & Alcohol Programs and Human Services. On April 5, the House Aging & Older Adult Services and the House Health & Human Services Committee will also hold a hearing on the proposed reorganization.

IMPACT OF CANCER ON SWIF HEARING MARCH 29

Another joint hearing is scheduled for this week. The Senate and House Veterans Affairs & Emergency Preparedness Committees will join with the Senate Labor & Industry Committee to discuss the impact on the Workers' Compensation insurer of last resort, the State Workers' Insurance Fund (SWIF), from designating cancer as a Workers' Compensation occupational disease for firefighters. It has been suggested that a consequence is abandonment of the firefighters' classification by the private sector Workers' Compensation market.

TAX AMNESTY RUNS APRIL 15 – JUNE 19

The PA Department of Revenue is waiving penalties and half on interest owed on delinquent individual income and business taxes. Details: <http://www.revenue.pa.gov/Pages/default.aspx#.WNerclWcHcs>