

## **LEG REG REVIEW**

### **2017, 15<sup>th</sup> Issue \*\*\* April 10, 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](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 you need help meeting your CE need or helping with a particular problem/question, please go to 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)*

#### **HOUSE PASSES BUDGET BILL**

By a 114-84 vote April 4, the Pennsylvania House voted to send the Republican-crafted State Budget Bill to the Senate. All Democrats voted against HB 218 as did four Republicans: Representatives DiGirolamo (Bucks), McGinnis (Blair), Harper (Montgomery), and Hennessey (Chester). The \$31.52 billion legislation is almost one billion less than Governor Tom Wolf originally proposed but it does add \$100 million for K-12 education, something the Governor wanted. The Insurance Department General Government Operations budget would not be affected because a dedicated fund was established several years ago to insulate the Department from the State Budget process. Funded by fees collected by the Insurance Department, the Insurance Regulation Oversight Fund will provide \$27.291 million for General Government Operations for the Department. (Page 354 of the bill) According to the Fiscal Note prepared by House Appropriations Committee staff, this represents a \$2.441 million increase over the current fiscal year budget. Link to bill follows:

<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=HTM&sessYr=2017&sessInd=0&billBody=H&billTyp=B&billNbr=0218&pn=1236>

#### **NOTES:**

- State Budget line items begin on page 210 of the text.
- HB 218 assumes that Governor Wolf's consolidation of four state Cabinet-level agencies (Health, Aging, Human Services, Drug & Alcohol Program) has taken place. It appears as Department of Health & Human Services instead of referencing the budgets separately.

#### **Some elements of HB 218 bill include:**

- \$3.750 million for the Insurance Department for premium review (Federal dollars) – Page 292 – and \$5 million dollars to the Insurance Department for insurance market reform (Federal dollars)
- CHIP (administered by Department of Human Services and no longer under Insurance), \$405.5 million Federal dollars and \$32.4 million from the state for the program (Page 264 and Page 274)
- Medicaid Long-Term Care: Federal -- \$2.3 billion; state \$1.162 billion (Page 277)
- Medicaid Long-Term Care Managed Care – Federal \$164.347 million; state \$152.854 million (Page 279)
- Tobacco Settlement monies for Medicaid Long-Term Care: \$273.6 million (Pages 340 and 363)  
PA Health Care Cost Containment Council (PHC4) \$3.5 million (Page 307) This PHC4 money includes the development of the Governor's proposed All Payers Claim Database – designed to promote transparency in health service pricing.

## **BLEAKER BUDGET REVENUE NEWS**

Despite House Bill 218 and the Governor not proposing new broad-based taxes, lawmakers may find themselves under some serious pressure in crafting the next State Budget to tap new resources given the news that March revenue came in 4.9% less than expected. Collections were \$4.4 billion and \$229.6 million less than anticipated. Below estimate March collections were reported in Sales Tax, Personal Income Tax, Corporation Taxes, and Realty Transfer Tax. Bright spots for March included Inheritance Tax which brought in \$8.5 million more than expected and other General Fund revenues (cigarettes, and other tobacco products, liquor, table games etc.) at \$15.1 million above estimates. Year-to-date revenues for the current fiscal year are \$679.3 million short.

## **REP. CORR TO SPEAK AT PAHU PRE-DAY ON HILL EVENT**

The April 25 PA Association of Health Underwriters (PAHU) Day on the Hill will have a pre-Day on the Hill event at the Crowne Plaza Hotel in Harrisburg. The Pre-Day April 24 event features two hours of CE and remarks by Rep. Mike Corr (R-Montgomery). A graduate of the University of Notre Dame and Widener Law School as well as receiving a Master of Laws from Villanova School of Law, Rep. Corr is an attorney and practicing CPA. Registration details for the April 24 event are available from Lauren Spires 215-587-0255 x1030.

## **HEALTH COMMITTEE MOVES CREDENTIAL BILL**

**On April 4, the House Health Committee reported out House Bill 125** sponsored by Rep. Matt Baker (R-Tioga). This requires all health insurers licensed to do business in Pennsylvania to accept the Council for Affordable Quality Healthcare credentialing application when submitted by a health care practitioner for participation in the health insurer's provider panel. It also places the Insurance Department as the enforcer for not using this form or for intentionally and routinely failing to use this credentialing process. The committee vote was 21-3.

## **LEGAL ISSUE BILLS INTRODUCED OR SEEING ACTION**

- On April 4, the House Judiciary Committee reported out an amended **Senate Bill 261** (Scarnati-R-Jefferson) to extend the statute of limitations for child sex abuse prosecutions.
- Introduced are:
  - **House Bill 1027** (Neuman-D-Phila.) is the False Claims Act which establishes penalties for seeking inaccurate or false claims to the Commonwealth at three times the damages as well as rewarding whistle blowers.

**NOTE:** PAHU has traditionally raised concerns about this type of legislation since simple errors count as fraudulent claims, subject to penalties. Even though the intent is to address issues of Medicaid fraud, the key word is "knowingly" in committing a false claim. In the bill, the definition "knowingly" includes this sentence: "*Proof of specific intent to defraud is not required.*" In other words, if there is an unintentional error which was discovered and corrected and repaid, there would still be a fine, although less than an intentional attempt to commit fraud.

- A cap on liability at 250% of compensatory damages against personal care home or assisted living facility, long-term care nursing home, or employee is **House Bill 1037** (Kampf-R-Chester)

**UPCOMING on April 13** in West Reading is a Senate public hearing on the impact of Governor Wolf's proposed consolidation of the Departments of Aging, Health, Drug & Alcohol Programs, and Human Services into one department.

**UPCOMING** is the Central PA I-Day May 11, details at [www.centralpaiday.com](http://www.centralpaiday.com).