

LEG REG REVIEW 2017, 16th Issue *** April 24, 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 you need help meeting your CE or have 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

INSURANCE PRODUCER FEE SPONSORSHIP MEMO CIRCULATED

Rep. Mike Tobash (R-Schuylkill) is circulating a sponsorship memo to members of the House of Representatives which would permit agents and brokers to charge a fee if no commission is paid for individual health insurance policies. This is the number one priority of the PA Association of Health Underwriters (PAHU). Many insurance producers have been forced to stop helping consumers with individual coverage because carriers ceased paying commissions. Rep. Tobash's aim is to allow producers back into the business of helping individuals compare coverages and networks to help find the best policy for them to choose. PAHU's Day on the Hill is Tuesday, April 25. Details on PAHU's efforts: xenobun@aol.com, 717-232-0022. Following is a link to Rep. Tobash's sponsorship memo. <http://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=H&SPick=20170&cosponId=23684>

INSURANCE BILLS TO BE CONSIDERED

This coming week, there will be committee review/action on a number of bills relating to insurance.

- House Bill 324 (Kampf-R-Chester/Montgomery) would provide **state protection for pensioners** in non-ERISA "pension de-risking" where an employer transfers pension obligations to an insurer. (House Insurance Committee)
- Senate Labor & Industry Committee will consider Senate Bill 269 (Baker-R-Luzerne) which makes it **easier for PA to adopt changes in the International Code Council (ICC)** into the Uniform Construction Code (UCC). As a result of the repealed sprinkler mandate, a law was enacted which made it more difficult to adopt ICC changes. Now, the pendulum has shifted so that various stakeholder groups feel that there should be an expedited process for the UCC Review & Advisory Council (RAC) to accept ICC changes in Pennsylvania. NOTE: *UCC changes may have a concrete impact on construction costs which can impact insurance valuation of construction or re-building.*
- Senate Banking & Insurance Committee will review three bills:
 - Senate Bill 637 (White-R-Indiana) would establish the **Pharmaceutical Transparency Commission** to better educate consumers and payers about the components of drug pricing (how much of that price is attributed to research, how much to profits, etc.) and a benchmark price that could not exceed 20% of the costs. The Commission would be funded by an assessment on drug manufacturers.
 - A re-introduction, Senate Bill 630 (Reschenthaler-R-Washington/Allegheny) would **exempt travel agents from producer licensing requirements in placing travel insurance**. Travel agents would "work under the license of the producer of the insurance product." Liability goes to the licensed insurance producer who is responsible for the acts of travel retailers operating under the producer's license.
 - Senate Bill 143 (Yaw-R-Lycoming) removes the now defunct Middle Atlantic Truck Stop Operators from the **Underground Storage Tank Indemnification Fund (USTIF)** Board and replaces them with the PA Food Merchants Association.

EMS SERVICES SUBJECT OF HOUSE HEARINGS

Last week, the House Veteran Affairs & Emergency Preparedness Committee convened a hearing on House Bill 1013 (Barrar-R-Delaware/Chester). This is a re-introduction of a bill to provide **reimbursement for EMS providers when there is no transport to a hospital** even though there was treatment given at the accident scene. Also last week, the House Insurance Committee examined the **high price of life-saving medical transport helicopters**. Regulated by the Federal Aviation Administration (FAA), these helicopter rides do not fall under state jurisdiction and, for the most part, may charge what they want. An example used was medical transport from Sayre, PA, to Philadelphia with a cost of \$50,000. Even with insurance, the patient's bill may run well over \$30,000.

HEARINGS CONTINUE ON SOCIAL SERVICES CONSOLIDATION

On April 17, the House Aging & Older Adult Services Committee held another hearing on **Governor Wolf's proposed consolidation of the Departments of Aging, Health, Human Services, and Drug & Alcohol Programs** into one Department of Health & Human Services (DHHS). As before, advocates presented possible State Budget savings through consolidation while opponents argued that specific areas such as services for the elderly or combating opioid abuse would be diluted by the move. On May 1, 2017, there will be a joint hearing of four PA Senate committees on the consolidation: Senate Aging & Youth Committee, Appropriations Committee, Health & Human Services Committee, and the Senate Committee on Intergovernmental Operations.

POLITICS: Rep. Jim Christiana (R-Beaver/Washington) announced that he is running for the Republican nomination for U.S. Senate in 2018 to face off against incumbent Democratic Senator Bob Casey. Christiana joined fellow western PA Rep. Rick Saccone (R-Allegheny/Washington) who announced in February. There has been some media speculation that Allegheny County's Speaker of the House Mike Turzai may also seek the GOP nomination.

DEPARTMENT HUMAN SERVICES CITES POVERTY GUIDELINES

Relevant to a number of Affordable Care Act provisions are the Federal Poverty Income Guidelines (FPIG). On April 14, the PA Department of Human Services (DHA) posted some of those requirements as well as the various FPIG at various levels. Examples:

- Modified Adjusted Gross Income (MAGI): 215% for pregnant women and infants under one year of age; 157% for children 1-5 years old; 133% for children 6 through 18 and for adults 19-64 years.
- 100% of FPIG for one person is \$12,060 per year (\$1,005.00 per month); 133% of FPIG for one person is \$16,040.00 or \$1,337.00 per month.
- A family of four has FPIG at \$24,600.00 per year (\$2,050.00 per month). 133% is 32,718.00 per year (\$2,727.00 per month). <http://www.pabulletin.com/secure/data/vol47/47-14/587.html>

REGULATORY UPDATES

- The PA Insurance Department seeks to add Scrap Metal Dealers/Recyclers Centers with Off-Site Disassembling (liability only) and Homeshare Business Multi-Peril Insurance (on-demand-short-term) to its Export List. The Export List means that after May 8, no declinations from the admitted market will be needed in order to access coverage from the Surplus & Excess Lines market (utilizing a surplus lines licensee).
- Liquidated Penn Treaty Network America Long-Term Care Insurance premiums will increase 25% as of June 17, 2017, per a filing by the PA Life & Health Guaranty Association.
- Highmark's petition to the Insurance Department regarding Allegheny Health Network comment period has been extended until May 8, 2017. Details: www.insurance.pa.gov