

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. 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

Dear Readers, Tuesday May 16 is primary voting day. Although this election is about local and school district races, keep in mind that these races also will give us many Senators and Representatives later on. So, if you are thinking of not voting, please consider that these men and women may be representing you in Harrisburg one day. Given that, your vote is an investment in how you want your state to be governed in the future. Message: Please vote.

Sincerely, **Vince Phillips**

REAL ID PROGRESSING

On May 10, **Senate Bill 133** (Ward-R-Westmoreland) was referred to the House Appropriations Committee after a contentious session of the House State Government Committee which amended the bill along party lines May 8. This legislation brings PA into compliance with the REAL ID Act of 2005, a Federal law requiring an upgrade to state systems of personal identification. If PA does not comply with legislation in June, the consequence is that a driver's license will NOT be accepted as identification on boarding commercial flights or providing access to Federal offices (Social Security, Farm Services Agency, military bases, etc.) in 2018. The issue was an amendment in the House State Government Committee creating a two-tier system which allows Pennsylvanians to keep and use current ID if they choose. Anyone going for the upgrade would have to pay for it, cost unknown. SB 133 could come up for a vote by the House next week. If it passes and returns to the Senate, there may be an effort to "revert to the prior Printer's Number" – going back to the original Senate language.

LEGISLATIVE UPDATES

- Reported out of the Senate Appropriations Committee May 8 was **Senate Bill 269** (Baker-R-Luzerne). This would loosen the review process for possible changes in the Uniform Construction Code. Current law has the Review Advisory Committee needing a high threshold for approval, a 2/3 vote before new international building code standards could take effect in PA. SB 269 allows for a streamlined process if there is no pushback from various stakeholder groups such as builders, etc. **Relevance to insurance: Construction requirements can impact valuation and cost of replacement.**
- New Senator John DiSanto's (R-Dauphin/Perry) first major legislation was reported out by the Senate Rules Committee May 8. **Senate Bill 561** gives the General Assembly veto power over any regulation with an

economic impact to the Commonwealth, its' units of government, or the private sector exceeding one million dollars. The legislative language suggests that Notices in the PA Bulletin, a less formal way to implementing policies, would not be covered by this bill. Often, an agency will use Notices to inform as to its policy or new policy. Two examples from the Insurance Department was a pronouncement that all earthquakes, even man-made, are covered by earthquake insurance and a Notice stating that high-density breast exams are considered first-dollar coverage per state law (no cost to patient).

DEPARTMENT PARTNERS WITH LIBRARIES RE CONSUMER EDUCATION

The PA Insurance Department has partnered with the PA Library Association to help disseminate insurance consumer information statewide. Its' goal is to increase insurance literacy. Called PA Forward, the initiative utilizes public libraries to increase "*basic, financial, health, civic and social literacy.*"

PACE BILLS MOVE FORWARD

On May 10, the House Aging & Older Adult Services Committee reported out bills dealing with the state's PACE/PACENET program which provides drug price subsidies to approximately 300,000 seniors.

- **House Bill 270** (Farry-R-Bucks) would increase the eligibility threshold from \$23,500 to \$31,000 for single individuals and from \$31,500 to \$41,000 for married couples.
- **House Bill 296** (Sonney-R-Erie) would exclude savings bonds and savings bond interest from income calculation in determining eligibility.
- **House Bill 425** (Nelson-R-Westmoreland) provides that enrolled individuals not lose their eligibility if their maximum income limit is exceeded solely to a Social Security COLA.
- **House Bill 673** (Goodman-D-Schuylkill) eliminates veterans' benefits from the definition of "income" when determining an individual's PACE/PACENET eligibility.

INSURANCE BILLS SEE COMMITTEE PROGRESS

Committee action has been taken on two insurance bills. First was **House Bill 174** (Baker-R-Tioga) reported out of the House Health Committee May 9. It creates a mandated benefit for Lyme disease treatment, requiring extended coverage for antibiotics. The second bill was **House Bill 1013** (Barrar-R-Chester/Delaware) requires insurers to reimburse ambulance/EMS providers for services where there is no hospital transport. Ambulance/EMS providers have long complained that while transport to a hospital is covered, carriers do not pay for services when the patient declines hospital transport. HB 1013 was voted out of the House Veterans Affairs & Emergency Preparedness Committee May 10.

HOUSE VOTES FOR PENSION "DE-RISKING"

On May 8 the House voted 173-18 for House Bill 324 (Kampf-R-Chester) to insulate pensioners from creditor action if their pension annuities plan is transferred by an employer to an insurance company and the insurer later becomes insolvent. HB 324 prevents creditors from garnishing retirees' annuity payments or the capital set aside by the insurance company to make those payments.

REGULATORY UPDATES

- The Insurance Department published its annual **Export List** in the May 13 PA Bulletin. This list includes specific types of insurance where three declinations by admitted carriers are not necessary before going into the Surplus & Excess Lines. Examples include Animal Rides, Ransom Insurance, etc.
<http://www.pabulletin.com/secure/data/vol47/47-19/837.html>
- On the Federal level, Centers for Medicare & Medicaid Services is presenting a May 18 **webinar for agents and brokers** on Plan Year 2017 Federally-facilitated Marketplace Registration and Training. Details: www.REGTAP.info
- Commissioner Teresa Miller urged U.S. Senators to support S.271 which gives **states authority to regulate medical air transport pricing**, something now prohibited by the 1978 Airline Deregulation Act. Her concern, voiced at a House Insurance Committee hearing April 18, is that these services now leave patients with bills in the tens of thousands of dollars.
- The Department of Environmental Protection (DEP) is urging homeowners to check for **mine subsidence** risk and offers a mine locator for consumers. (www.pamsi.org or 800-922-1678). If you are an insurance producer, you can sell this product thanks to 2002 legislation. DEP's Agent Page is found at http://www.dep.state.pa.us/MSI/MSIProducers/msi_insurer.htm