

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.

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CONSOLIDATION UPDATE

Reorganization of four Cabinet departments into one PA Department of Health & Human Services (DHHS) is drawing attention now that the General Assembly passed partial pension reform (*Senate Bill 1 signed into law by Governor Tom Wolf June 12 as Act 5 of 2017*). The proposal would merge the Departments of Health, Aging, Human Services and Drug & Alcohol Programs into the new DHHS. Along the way, language was modified in answer to critics who argued that a consolidation would mean less attention paid to special areas such as services to the aged. The new version has a Secretary of DHHS and commissioners for specialty areas who would also have direct access to the Governor. The bills are Senate Bill 746 (Schwank-D-Berks) and House Bill 1000 (Bloom-R-Cumberland).

There is pushback however. Three Republican Senators, Carmen Bartolotta (Beaver/Greene/Washington), Lisa Baker (Luzerne/Pike/Susquehanna), and Michelle Brooks (Erie/Mercer/Warren/Crawford) circulated a sponsorship memo June 13 calling

for a resolution to develop a process to determine how to proceed with possible unification. The resolution delays implementation until a thorough assessment can be done regarding perceived cost savings and impacts on stakeholder groups. The resolution has not yet been formally introduced. Brooks is Majority Chair of the Aging & Youth Committee. Bartolotta is Majority Chair of the Intergovernmental Affairs Committee.

BILLS' PROGRESSION...

- **Senate Bill 630** (Reschenthaler-R-Washington/Allegheny) provides for a limited lines travel insurance license whereby retail travel agents could offer this insurance without having an insurance license. On June 5, the Senate Appropriations Committee reported out the bill. This paves the way for a full Senate vote.
- On June 13, the Senate Banking & Insurance Committee met to approve several banking bills, **SB 471** providing for an expedited foreclosure process for vacant or abandoned properties, **SB 590** increasing the service charge for bad checks, **SB 629** providing for an update of the Uniform Fraudulent Transfers Act, **SB 751** providing for regulation and licensure of mortgage servicers, and **HB 1039** authorizing and regulating savings promotion raffles.
- A bill limiting liability to land owners from recreational users (**House Bill 544** sponsored by Rep. Dan Moul –R-Adams) passed the House Tourism & Recreational Development Committee June 6 and was referred to the House Rules Committee.
- Also on June 6, the House passed House Bill 410 (Warner-R-Fayette/Westmoreland) to establish performance-based budgeting in PA. Advocates say it will force agencies to justify their budget every year rather than 'coasting' based on previous budgets. The vote was divided 115-79
- On June 12, the House Consumer Affairs Committee reported out **House Bill 882** (Godshall-R-Montgomery) prohibiting an auto insurer from giving the name of or 'steering' consumers to a specific rental car company unless the consumer

is notified either verbally or in written form that he/she may utilize whichever rental firm they want.

PRESCRIPTION DRUGS and WORKERS' COMPENSATION

The House Labor & Industry Committee voted 14 – 12 on June 13 to report out House Bill 18 establishing a Workers' Compensation drug formulary. According to sponsor Rep. Ryan Mackenzie (R-Lehigh), the purpose is to prevent overutilization of certain drugs which contribute to the opioid crisis. PA Works Now, a labor/attorney/physician advocacy group felt differently. In a release after the vote, PA Works Now said "*House Bill 18 would undermine doctors' professional expertise in treating patients and decrease the range of options available for people injured on the job by requiring a drug formulary for certain workplace injuries and ailments.* Committee Democrats and one Republican, Rep. Tom Murt (Montgomery), voted no.

REGULATORY NOTE... Intact Financial Corporation filed an application with the PA Insurance Department to acquire stock casualty insurance companies OBI America Insurance Company, OBI National Insurance Company, OneBeacon Select Insurance Company, and OneBeacon Specialty Insurance Company.

MARYLAND SEEKS PRODUCERS FOR ADVISORY PANEL

On June 16, the Maryland Insurance Administration (MIA) issued Bulletin 17-05 seeking applicants to serve on an MIA advisory committee to advise the Commissioner on issues relating to insurance continuing education and insurance producer exams. Both property/casualty and life/accident/health individuals are being sought. Producers and insurer individuals may apply to

<http://insurance.maryland.gov/Producer/Documents/applicationforproducerlicensingadvisoryboard.pdf>

COMING UP...

- On October 26 in Camp Hill, the Banking & Securities Department will convene the Compliance 2017 Conference in order to educate Pennsylvania's investment

advisors and broker-dealers about the biggest issues affecting their industries.

Details: <http://www.dobs.pa.gov/For%20Media/Pages/Compliance2017.aspx>

- August 30 is the date for the 2017 Crop Insurance Conference sponsored by the PA Department of Agriculture. Details: Jordan Stasyszyn, jstasyszyn@pa.gov

COMMISSIONER WRITES TOOMEY RE AMERICAN HEALTH CARE ACT

On June 13, Insurance Commissioner Teresa Miller sent a letter to PA Senator Pat Toomey criticizing the House Republican American Health Care Act ('Repeal and Replace ACA') as returning to the pre-Affordable Care Act world. She said in her letter that insurers "*are committed to this market and the populations they serve, but that commitment is not absolute. Any significant change to this market will result in further instability that could make this market too hostile for some companies to be willing to continue to participate. This will only hurt consumers.*" The letter also said that insurers estimated rate increases of 20.3 percent statewide if cost-sharing reductions are not paid and a 23.3 percent increase if the individual mandate is repealed.

IN CASE YOU MISSED IT...

- Sent to the House June 13 was Senate Bill 561 (DiSanto-R-Dauphin/Perry) to effectively give the General Assembly veto power on any regulation with an impact of one million dollars or more. The vote was contested with Democrats and Republicans Tomlinson (Bucks), Rafferty (Montgomery/Berks/Chester), Killion (Delaware), and Greenleaf (Montgomery) voting no. It passed 29-20.
- *Civil lawsuit immunity for bus drivers who use Epi-pens to save a child was signed into law as Act 2 of 2017 -- House Bill 224 (Simmons-R-Northampton/Montgomery/Lehigh)*

The week of June 12-18 was declared to be 'Men's Health Week' per House Resolution 364 (Bullock-D-Phila. and Kinsey-D-Phil.) – adopted June 14 by the PA House.