

## LEG REG REVIEW

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**IN ADDITION TO THE BUDGET DRAMA... the General Assembly acted on a number of insurance-related pieces of legislation:**

- **Medicaid Oversight: House Bill 1354** (Grove-R-York) seeks to rein in Medicaid expenditures by creating the Office of Independent Medicaid Director. The July 7 vote was 111-79 with Democrats voting no. Democrats argued that the selection process (Governor appoints from a list of three nominees from the General Assembly) would not result in a person with the best qualifications.
- **Prescription Drugs: House Bill 1532** (Phillips-Hill – R-York) amends the Achieving Better Care by Monitoring All Prescription Program (ABC-MAP). On July, it passed the House 112-78 with all Democrats except for Rep. Bryan Barbin (D-Cambria) voting no. The bill's purpose is to give access to ABC-MAP prescription data to Medicaid managed care organizations to hopefully identify patterns of patient abuse re opioids.

- **Travel Insurance without a license: House Bill 1576** (Pickett-R-Bradford) allowing unlicensed employees of travel agencies to discuss travel insurance options without a license requires that there must be one licensed insurance producer at each location to review policy applications was reported out by the House Insurance Committee June 21 and is on the House calendar. **Senate Bill 630** (Reschenthaler-R-Allegheny) does not have this safeguard but does make the limited lines licensee (owner of the travel agency, travel agent association, etc.) liable for any acts done by unlicensed staff at the retail level. SB 630 was approved by the Senate 50-0 on June 26 and was referred to the House Insurance Committee.
- **Underground Storage Tank Indemnification Fund (USTIF):** Relating to USTIF, the state insurance system covering ruptures in both above and below ground tanks, **House Bill 290** (Metzger-R-Somerset/Bedford) passed the Senate 49-0 on July 9. Because HB 290 was amended in the Senate, it goes back to the House for concurrence.

## **DRONE LEGISLATION PASSES HOUSE**

On July 7, the PA House passed **House Bill 1346** (Pyle-R-Armstrong/Indiana/Butler) regarding the unlawful use of unmanned aircraft via violation of privacy or where the unmanned aircraft puts a person “in reasonable fear of bodily injury.” Exemptions are those with a legitimate purpose such as for law enforcement, emergency medical treatment, and utility work or for others exempted by the Federal Aviation Administration (FAA). HB 1346 also preempts municipalities from passing ordinances or rules regulating unmanned aircraft.

## **TELEMEDICINE BILL INTRODUCED**

Referred to the House Insurance Committee July 7 was House Bill 1648 sponsored by Rep. Marguerite Quinn (R-Bucks). This bill would prohibit insurers from denying claims simply because it was telemedicine and would require claim reimbursement consistent with in-person doctor visits. This bill is of particular interest to many in rural PA who

have less access to health care providers. To them, telemedicine is an important option.

**POLITICS...** Senator Daylin Leach (D-Montgomery) officially declared his candidacy for the Democratic nomination for the 7thth district congressional seat now held by Republican Rep. Patrick Meehan.

### **PER DIEM EXAM CHARGES SPECIFIED**

The Insurance Department issued Notice 2017-07 and Notice 2017-08 listing per diem charges for Financial Examinations and Market Conduct Examinations for Insurance Companies.

- **Market Conduct**: Examiner Trainee \$547 /day; Examiner 1 \$642 /day; Examiner 2 \$796 /day.
- **Financial Examinations**: Actuarial Associate \$688 /day; Examiner Trainee \$555 /day; Examiner 1 \$681 /day; Examiner 2 \$860 /day; Examiner 3 \$990 /day; Examination Manager \$1,037 /day.

### **ANIMAL WELFARE LEGISLATION**

Animal Welfare #1: On July 7, the House voted 190-0 to shield law enforcement or animal/humane society officer from breaking into a car where there is a reasonable belief that the dog or cat is suffering from excessive heat. The bill was amended to change the original word “animal” to “dog or cat” after debate as to what the term animal means. The question of salamanders occupied about 15 minutes of House debate. This week, that question will again resurface with amendment A01145 to another animal welfare bill, HB 274) by Rep. Joseph Petrarca (D-Westmoreland) which seeks to replace “dog or cat” with “animal”. **House Bill 1216** is sponsored by Rep. Frank Farry (D-Lackawanna) and Dom Costa (D-Allegheny).

Animal Welfare #2: Also known as Libre’s Law named for a rescued dog, **House Bill 1238 (Stephens-R-Montgomery) was signed into law as Act 10 of 2017** by Governor Tom Wolf on June 28. Although most of the law does not explicitly relate to insurance,

it does increase the authority of those humane society officers seeking to inspect for animal cruelty for domestic pets as well as for horses/mules, cows, homing pigeons, etc., raising conflicts between inspections and privacy rights as well as potential conflicts between animal advocates and the law's exemption for normal agricultural practices.

However, an important insurance implication comes from provisions strengthening the Agriculture Department's authority to go after those who intentionally endanger animals and bees through bacterial or biologic means. Translated, that means violation of quarantine (Avian Influenza) or not following food safety procedures (Food Safety Modernization Act) might lead to an insurer's possible denial of a claim

## **REGULATORY UPDATE**

- Converting to stock companies is the goal of applications submitted to the Insurance Department by Professional Casualty Association and Physicians' Insurance Exchange, both PA-domiciled reciprocal and inter-insurance exchanges. (Medical Malpractice Insurance)
- Equator Reinsurance Ltd. applied for renewal of its designation as a certified reinsurer in PA.
- Three review organizations were posted in the PA Bulletin where there can be an appeal of an insurer's determination that the policyholder did not meet trigger requirements: LTCI Independent Review Specialists, LLC in Allentown 800-878-9579, National Medical Reviews, Inc. in Southampton, PA 215-352-7800, and MAXIMUS Federal Services, Inc. in Reston, VA 703-251-8500.

## **FEDERAL SEMINARS FOR INSURANCE PRODUCERS**

- **FLOOD**: The National Flood Insurance Program (NFIP) is offering FEMA Mapping Changes July 12 and Key Fundamentals of Flood Insurance for Agents on July 12 and 13. Details: [nfiptraininginfor@h2opartnersusa.com](mailto:nfiptraininginfor@h2opartnersusa.com).

**EXCHANGES**: CMS has registration and training sessions for insurance producers new to selling exchange (marketplace) policies July 20 and July 26 at 1:00 – 2:30 p.m.  
Details: [Registrar@REGTAP.info](mailto:Registrar@REGTAP.info)