

PHILLIPS ASSOCIATES
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

SENATE BANKING & INSURANCE COMMITTEES MOVES TWO, HOLDS ONE

On April 25, the Senate Banking & Insurance Committee reported out two bills but a third bill was held back, at least for now. Making it through the committee was Senate Bill 630 (Reschenthaler-R-Washington/Allegheny) which 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 limited license insurance producer who is responsible for the acts of travel retailers operating under the producer’s license. The second bill was Senate Bill 143 (Yaw-R-Lycoming) which 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.

The third bill was vigorously opposed by Pharma, lobbying entity for drug

manufacturers. 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. The decision was made not to vote yet and possibly to convene a hearing on SB 637 in May or early June.

HOUSE ACTIONS

- On April 26, the House passed House Bill 290 (Metzger-R-Somerset/Bradford) regarding the Underground Storage Tank Indemnification Fund (USTIF). Similar to SB 143, this bill replaces the defunct Middle Atlantic Truck Stop Operators Board seat with “a statewide organization representing fuel retailers and food merchants.” It also reauthorizes an environmental cleanup program and a storage tank pollution prevention program until 2022. (Their authorization otherwise expires June 30, 2017.)
- 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. It was voted out of the House Insurance Committee.
- April 27, 2017 was designated by the PA House as “Don’t Text and Drive Day” per House Resolution 221 sponsored by Rep. Brett Miller (R-Lancaster).

SENATE APPROVES CERTIFIED NURSE PRACTITIONER BILL

By a 39-10 vote, the PA Senate cleared Senate Bill 25 (Bartolotta-R-Washington). This would establish a **license for certified nurse practitioners**. There are two insurance items to note. First, certified nurse practitioners who operate without

collaboration with a physician must have an individual medical malpractice policy in his/her name. Second, no regulation or order issued by the Insurance Department, Health Department, or Department of Human Services “*shall supersede decisions by the governing body of a health care facility that the types of health care professionals who are eligible for medical staff membership or clinical privileges at the facility include certified nurse practitioners*”.

HOUSE AND SENATE CONSIDER UCC BILLS

House Bill 409 (Evankovich-R-Westmoreland/Allegheny) was approved April 25 by the PA House of Representatives 110-82 with most Republicans voting for and most Democrats voting against. HB 409 seeks to **update the system whereby PA adopts changes in international building codes by the International Codes Council (ICC)**. It addresses the review process and how the Uniform Construction Code Review and Advisory Council (RAC) assesses changes to see which are appropriate for PA. RAC was established in reaction to the ill-fated sprinkler mandate which took effect in PA because previous law made PA adoption automatic. A similar UCC bill, Senate Bill 269 (Baker-R-Luzerne), was reported out by the Senate Labor & Industry Committee April 25 and was re-referred to the Senate Appropriations Committee the next day.

There are several other Uniform Construction Code bills pending in the Senate after House passage:

- House Bill 266 (Harper-R-Montgomery) regarding **composition of municipal UCC boards** of appeal.
- House Bill 177 (Pickett-R-Bradford) **exempts certain structures** used in PA’s maple sugar industry from UCC building requirements.
- House Bill 162 (Maloney-R-Berks) would require that the PA Department of Labor & Industry contract with the International Codes Council to produce a **PA-specific set of code books** and to put the specific codes on line so that

Pennsylvanians could have easier access to these building construction requirements.

INSURANCE DEPARTMENT ISSUES PLEA TO HHS

On April 26, PA Insurance Commissioner Teresa Miller and the heads of Geisinger, Independence Blue Cross, Highmark, Capital Blue Cross, and UPMC wrote HHS Secretary Tom Price asking that the Federal Government restore “certainty” in order to stabilize the individual health insurance market. Citing Federal actions in weakening the individual mandate and uncertain status of the funding for cost sharing reductions and no funding for overall market stabilization measures, the letter went on to say *“This, we fear, could undermine the progress we have made, reduce coverage options and significantly increase prices for millions of vulnerable Pennsylvanians (and others throughout the nation). To avoid this, we ask you and your Department to work with us to further stabilize our market. Specifically, we ask that you continue to make cost-sharing subsidies available to help low -income Americans pay for out-of -pocket costs; ensure that the federal government continues to enforce the individual mandate to protect and improve our risk pools; and make all of the payments owed to insurers to stem any further exodus from these markets. Time is of the essence since insurers will be filing 2018 products just a few short weeks after Congress addresses the government funding deadline.”*

REGULATORY UPDATES

- The PA Health Care Cost Containment Council (PHC4) meets in Harrisburg this week. Details: Renee Greenawald 717-232-6787
- The PA Insurance Department is announcing a collaborative relationship with the PA Library Association to provide consumer information on insurance products to consumers via libraries. Details; David Buono, bbuono@pa.gov

- Following up on a House Insurance Committee hearing on medical air transport charges to patients that can reach \$50,000 or more, Commissioner Miller wrote to U.S. Senators Casey and Toomey to request that they sponsor S.471 to give state regulators the ability to regulate those air ambulance services, something which current Federal law prohibits.

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