LEG REG REVIEW 2013, 3rd Issue January 14, 2013

LEG REG REVIEW is a periodic newsletter produced by PHILLIPS ASSOCIATES, a professional lobbying and consultant firm located in State Capitol. It contains news on the legislative and regulatory scene in Pennsylvania that may be of interest to the Insurance and Business Communities. It is a free member benefit for those who are members of the Pennsylvania Association of Health Underwriters (NAHU, PAHU), Manufacturers Association of South Central PA (MASCAP), Subscription information may be obtained by contacting PHILLIPS ASSOC 717/728-1217 FAX 717/722-7005 or e-mail to aleo@ gpahu.net. Please email jtrout2792@aol.com supplying both your name and address if you wish to be removed from this list.

GENERAL ASSEMBLY READIES

A number of bills have already been introduced affecting insurance.

- House Resolution 6 (Saylor-R-York) urges the U.S. Congress to pass legislation converting Medicaid monies from the Federal Government to a block grant system, thus providing PA with the flexibility to design and implement programs.
- HB 49 (Truitt-R-Centre) was the first mandated benefit bill of the new session. It would mandate coverage for amino acid-based "elemental formulas" for the treatment of a disease or disorder. It was referred to the House Children & Youth Committee im the Insurance Committee.
- HB 57 (Gillespie-R-York) is a tort reform bill that would impact legal costs connected with health care by saying that an apoloxy health care provider prior to legal medical malpractice action may not be entered in evidence.
- HB 86 (Nichol-C-Delaware) is a bill that should have passed the last session of the General Assembly. It would get rid of the requirement that medical liability claims information be filed by carriers to the Insurance Department. This legislation is supp the Department.
- HB 29 (Gorgich-R-Lebanon) provides for annual review of the care plans of the Area Agencies on Aging.
- HB 74 (Godshall-R-Montgomery) would establish a specialized court created solely to deal with medical malpractice lawsuits. be called the Medical Professional Liability Court.

Some insurance legislation known to be "out there" but not yet introduced involve the legal prohibition of the individual mandate pr Patient Protection Affordable Care Act (PPACA), permitting consumers to purchase out of state health insurance, and possible consolidation of municipal pension plans into a unitary state-run system.

This week only the House is in session. Still pending are the postings of the makeup of the committees although a number of Dem Senators have already listed their assignments.

DEPARTMENT SEKS HHS EXCHANGE MEETING

In a letter dated January 10, Insurance Commissioner Mike Consedine wrote to HHS seeking a meeting between HHS and the Deps and stakeholders to better understand the federally-facilitated exchanges and other Federal moves to implement PPACA market ch: 2014. In March 2013 employers are required to notify workers of the existence of health insurance exchanges and exchange open begins in October. The Corbett administration decided in December to go with a federally-facilitated exchange rather than develop state-based exchanges, the then the interest of the Commercial Insurers. The Health Insurance Exchange is already running but the Department is wishing to add their voices to that of the Department seeking such a "summit" could reach out to Joanne Grossi, Department of He Human Services, The Public Ledger Publishing, 150 South Independence Mall West – Suite 436, Philadelphia, PA 19106-3499.

DECEMBER COLLECTIONS UP

Pennsylvania collected $2.4 billion in revenue during the month of December, $122.4 million more than anticipated (4.8%). This brings the fiscal year to date totals to $171.5 million or 1.4% more than expected. Although numbers seem to indicate a positive trend, the gathering recovery remains tepid. Of the major tax categories, Corporate net income tax and Personal Income Tax were up as well. For the Real Estate Transfer Tax, all signs of increased economic activity. This was dampened by Sales & Use Tax coming in at $744.4 million for December or 2.7% less than anticipated. This reflects consumer caution even throughout the height of the holiday shopping season.

Pennsylvania declared federal disaster area

On January 10, the Federal Emergency Management Agency (FEMA) announced that President Obama had signed a declaration of disaster for 16 Pennsylvania counties: Bedford, Bucks, Cameron, Dauphin, Forest, Franklin, Fulton, Huntingdon, Juniata, Monroe, Northampton, Pike, Potter, Somerset, Sullivan, and Wyoming. This opens up direct federal aid to communities and non-profits helping the areas recover from Superstorm Sandy.

REGULATORY UPDATES

- The Insurance Department will no longer post pending auto and homeowners insurance rate filings in the PA Bulletin but will instead publish them on the Insurance Department's website. www.insurance.pa.gov (Click on Services for Insurance Companies, then Indus Activity, then Pending Personal Auto and Homeowner Rate Filing). This database may also be used to research form filings as well.
- (Approved Rate and Form Filing Search) Questions: Mark Lersch, Director, Property Casualty Bureau, mlersch@pa.gov.
- A Notice issued by the Department of Labor & Industry. This reflects a 3.3% increase in the Statewide Average Weekly Wage.
- The HCARE Patient Safety Authority will meet in Harrisburg January 22. Details: 717/346-0469

PHC4 ISSUES NEW REPORTS

The PA Health Cost Care Containment Council (PHC4) recently issued two reports of interest to PA consumers. The December 2012 Hospital Performance Report lists 12 common medical conditions and surgical procedures broken down by region (central & northeastern PA, etc.) using 2011 data. The second report was issued last fall. It reports that the numbers of PA women undergoing breast cancer surgery remained fairly constant from 2002-2011 but the number of women electing preventive surgery increased. While the number of women having breast cancer surgery declined overall by only 97 cases between 2002 and 2011, the number of repeat hospitalizations for lumpectomies declined by 1,700 cases. Details. www.phc4.org

INSURANCE DEPARTMENT ANNOUNCES RECORD FINES IN 2012

On January 8, the PA Insurance Department issued a release citing 2012 as a record year in terms of fines imposed on insurance carriers from enforcement and market conduct actions. This included $18 million in fines and $13.4 million in restitution. Much of this activity centered on multi-state regulatory action against life insurance companies which the insurance departments alleged were not doing an adequate search for beneficiaries. Part of the enforcement action was to require that these companies use the Social Security Administration's Death Master File as a locator. Another big settlement was with AIG's Workers' Compensation affiliates with $8.6 million in fines and $8.6 million to the Disaster Security Fund and $4.6 million in insurance premium taxes. A link to Insurance Department current fines cases appears below.