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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. 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 at xenobun@aol.com.

GENERAL ASSEMBLY CONCLUDES WORK FOR 2017-18

On Wednesday October 17, the PA General Assembly ended its legislative work for the 2017-18 session. The term of legislators continues until November 30 and the House and Senate will return one day in November to elect new leaders for the new 2019-20 session. Besides a frenzy of activity to get bills passed, the House and Senate also took time to recognize retiring legislators, several of which are or have been insurance professionals. Their emails still work if you want to thank them for their service and to thank them for helping legislators understand more about insurance. They are:

- **Senator John Eichelberger (R-Blair)** jeichelberger@pasen.gov 814-695-8386
- **Representative Mark Mustio (R-Allegheny)** mmustio@pahousegop.com 412-262-3780
- **Representative Michael Corr (R-Montgomery)** mcorr@pahousegop.com 610-409-2615
- **Representative Joe Markosek (D-Allegheny)** RepMarkosek@pahouse.net 412-856-8284

WORKERS COMP FIX-IT GOES TO GOVERNOR

Sent to the Governor October 18 was **House Bill 1840** (Kauffman-R-Franklin), a measure that addresses the PA Supreme Court decision in *Protz vs. WCAB* which struck down a major component of the Workers' Compensation Act. The Court ruled that the section allowing for Impairment Rating Evaluations which determine disability status was voided because the law said that the current American Medical Association (AMA) would be used to validate disabilities. The Court said that this was an unconstitutional delegation of authority to the AMA. HB 1840 addressed this by designating a 6th edition of the AMA Guides to the Evaluation of Permanent Impairment as the go-to resource.

The legislation, if signed by Governor Wolf, also increased WC death benefits from \$3,000 to \$7,000.

The greatest relevance to businesses and insurance producers is this next section that reverses the 6.06 percent loss cost increase from the PA Compensation Rating Bureau.

(3) WITHIN 90 DAYS FOLLOWING THE EFFECTIVE DATE OF THE ADDITION OF SECTION 306(A.3) OF THE ACT, THE PENNSYLVANIA COMPENSATION RATING BUREAU SHALL CALCULATE THE SAVINGS ACHIEVED THROUGH THE IMPLEMENTATION OF THAT SUBSECTION. IMMEDIATELY FOLLOWING THIS CALCULATION, THE AMOUNT OF SAVINGS SHALL BE USED TO PROVIDE AN IMMEDIATE REDUCTION IN RATES, EQUAL TO THE SAVINGS, APPLICABLE TO EMPLOYERS' WORKERS' COMPENSATION POLICIES.

A link to the bill text follows:

<https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2017&sessInd=0&billBody=H&billTyp=B&billNbr=1840&pn=3802>

UNLICENSED CLERKS TO SELL PROPERTY INSURANCE BILL GOES TO GOVERNOR

House Bill 504 (Charlton – R-Delaware) made its way to the Governor's desk October 18. It permits unlicensed retail clerks working for self-storage companies to sell property (contents) insurance as long as the firm's owner or manager has a limited license.

EMS INSURANCE /VISION REIMBURSEMENT BILL GOES TO GOVERNOR

On October 18, the General Assembly sent **House Bill 1013** to Governor Tom Wolf (Barrar-R-Delaware). This law requires insurers to pay claims from EMS (responding to an accident report) when the patient declines transport to a medical facility. Language dealing with vision insurance was amended into the bill. Called the **Quality Eye Care Act**, the new language allows an insured receiving eye care from an in-network vision care provider to go out-of-network for related services, provided that he or she is notified that the insured may refuse an in-network provider and that there may be additional cost for going out-of-network. In addition, the insured must be notified that an insurance company's discount program might not apply to the out-of-network vision care provider.

OTHER BILLS AWAIT GOVERNOR'S SIGNATURE

A bevy of other bills were sent to the Governor in the last days of this legislative session. Some, with insurance ramifications are:

- **Insurer Solvency. Senate Bill 1205** sponsored by Senator Dan Laughlin (R-Erie) went to Governor Wolf October 18. This legislation adds new solvency assessment tools for the PA Insurance Department. Supported by insurance companies, SB 1205 also helps the Insurance Department keep its NAIC solvency accreditation.
- **Diagnostic Testing. House Bill 1884** (Quinn-R-Bucks) provides for notifications of patient diagnostic imaging test results to be sent directly to the patient or his/her designee if a significant abnormality was discovered. The notice to patients would state: *"You are receiving this notice as a result of a determination by your diagnostic imaging service that further discussions of your test results are warranted and would be beneficial to you."*
- **Prescriptions. House Bill 270** (Farry-R-Bucks) expands PACENET income eligibility limits and provides for medical synchronization. Synchronization occurs when prescription refill dates are moved to one date. This is to help patients for whom it is difficult or impossible to make repeated trips to the pharmacy. Insurers would be required to pay for the "gap" prescription. This is similar to **House Bill 1800** (Nelson-R-Westmoreland) which did not make it to the finish line in time.

NOT QUITE AT THE FINISH LINE

A number of bills did not quite make it through the legislative process. Not to worry. They will likely be reintroduced next session.

- **Telemedicine. Senate Bill 780** (Vogel-R-Beaver) would have established a system under which telemedicine would be recognized as something to be covered under health insurance policies. SB 780 had passed the Senate and was being ready for House consideration by session's end.
- **Dental Insurance. Senate Bill 373** (Eichelberger-R-Blair) would authorize insurers to pay dentists directly (assignment of benefits).
- **PHC4. House Bill 1613** (Cutler-R-Lancaster) to reauthorize the PA Health Care Cost Containment Council (PHC4). This entity studies and reports on various measures of health care such as hospital-acquired infections, mortality rates per procedure, etc. It also continues a provision where PHC4 can study the market impact on proposed mandated health insurance benefits. This section begins on page 30, line 10.

<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2017&sessInd=0&billBody=H&billTyp=B&billNbr=1613&pn=3794>

FAREWELLS

Two state lawmakers passed away last week. Rep. Mike O'Brien (D-Phila.) died from a heart attack while Rep. Sid Michaels Kavulich (D-Lackawanna) died from complications resulting from heart surgery. Rep. O'Brien was retiring at the end of this legislative session. **PERSONAL NOTE:** I have known Rep. Kavulich for years. A former sportscaster, Sid was an affable and absolutely civil legislator.