

## **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. 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](mailto:xenobun@aol.com).*

#### **NEW HOUSE MEMBERS ELECTED IN SPECIAL ELECTION**

There are new House members thanks to two special elections held March 12. Rep. Movita Johnson-Harrell (D-Phila.) succeeds former Rep. Vanessa Brown (D-Phila.). Rep. Johnson-Harrell's background includes service as supervisor of victims' services for the Phila. District Attorney. She is also the first Muslim woman to serve in the PA General Assembly. She was sworn in on March 25.

The second new House member is Rep. Bridget Malloy Kosierowski (D-Lackawanna), succeeding the late Rep. Sid Kavulich (D-Lackawanna) who passed away shortly before election day. Rep.-elect Mallory Kosierowski will be sworn into office in April. By training, she is a Registered Nurse.

#### **OTHER SPECIAL ELECTIONS**

- Tomorrow, April 2, voters will decide who succeeds former PA Senator Guy Reschenthaler (R-Washington/Allegheny) who was elected to the U.S. Congress in November.
- Primary day May 21 will see a special election to see who shall replace former Rep. Brian Ellis (R-Butler) who resigned. The winner will fill the remainder of Ellis' term through November 2020.
- Also to be elected on May 21 will be the successors to former Senators Richard Alloway (R-Franklin) and Don White (R-Indiana) to fill out the remainder of their terms through November 2020.

#### **SCAVELLO NAMED BANKING & INSURANCE CHAIR**

Senator Mario Scavello (R-Monroe) is the new Majority Chair of the Senate Banking & Insurance Committee. He assumes the position of former Chair Don White (R-Indiana) who resigned from the Senate in February. Scavello was elected in 2014 and had chaired the Senate Community, Economic, & Recreational Development Committee. The new Executive Director is Christine Zubeck. In addition to her service to Senator Scavello as his Chief of Staff, Christine was a research analyst for the House Insurance Committee.

Another Senate change is the replacing of former Senator Richard Alloway (R-Franklin) who also resigned in February. Selected as leadership position Caucus Secretary is Senator Ryan Aument (R-Lancaster).

#### **COMMITTEE WORK**

- On March 27, the House Appropriations Committee reported out **House Bill 328** (Webster-D-Montgomery). It would establish a Flood Insurance Premium Task Force to look at affordability issues and how Flood Insurance can be more accessible. HB 328 is on the House voting calendar.
- Also on March 27, the Senate Transportation Committee reported out **Senate Bill 109** sponsored by Senator Gene Yaw (R-Lycoming). It increases the duty of passengers to aid injured persons in an accident if the driver cannot or will not do so. This duty includes the passenger making arrangements for the injured person to be transported to a physician.

#### **POLITICAL NOTE**

State Senator Anthony Williams (D-Phila.) is challenging incumbent Mayor Jim Kenny as is former Representative/ former Philadelphia City Controller Alan Butkowitz.

## **DEPARTMENT APPROVES WC LOWER LOST COST**

On April 1, the PA Insurance Department announced that it has approved a Worker's Compensation Loss-Cost filing effective April 1. Overall, there is a 12.95% reduction in loss-costs. Note that this does not mean that every classification code will show a decrease. This is an overall figure. Although not definitive, the loss-cost reduction should result in lower Worker's Compensation rates for many PA firms. Details: <http://www.insurance.pa.gov>

## **HEARINGS UPDATE**

Hearings that have a bearing on insurance have been held recently in Harrisburg. In mid-March, the House Health Committee held a hearing on Pharmacy Benefit Managers (PBMs) and their impact on Medicaid costs. At the hearing, Auditor General Eugene DePasquale pointed to lack of transparency in PBM money received from the Medicaid program. He urged that his office be given authority to audit those payments going to PBMs.

Early in March, the House Labor & Industry Committee convened a hearing on Worker's Compensation abuse in drug claims. Unnecessary opioid prescriptions were seen as a source of possible abuse. In a sense, this was a preview of the debate on a prescription drug formulary for Worker's Compensation. One view is that a formulary will help keep prescriptions costs in check. Another is the position that a formulary may not be needed because of Wolf Administration opioid prescribing guidelines. The resurfacing of this issue may be paving the way for another veto by Governor Wolf, just as he did with last session's **Senate Bill 936**.

## **UPMC vs. HIGHMARK (Continued)**

Commonwealth Court is separating a major part of PA Attorney General Josh Shapiro's complaint against UPMC. The section dealing with Highmark Medicare Advantage customer access to UPMC facilities has been fast-tracked because the original Highmark-UPMC consent agreement expires June 30, 2019.

There are two separate legal developments. PA Senate Republicans entered the fray to oppose the Attorney General's claim that the court should mandate any willing provider. The Senate felt that matters such as that lie with the General Assembly, not with the Attorney General. In addition, the Hospital and Healthsystem Association of PA joined UPMC in filing a motion to dismiss the Attorney General's complaint against UPMC.

## **PHC4 LISTS RESEARCH REQUESTS**

The PA Health Care Cost Containment Council (PHC4) issued its annual summary of resource requests it has received from public and private sector entities, non-profits, universities, etc. There are 57 listed with the following breakdown of requests from:

- Governments 21
- Hospital systems including community medical centers 25
- Universities 18
- Private sector entities 15
- In addition, there were two requests from non-profit organizations and one from the media (USA Today)

Details: <https://www.pabulletin.com/secure/data/vol49/49-12/436.html>

## **INSURANCE WORKFORCE IN THE FUTURE: NextGen Academy**

The PA Insurance Department announced that it is holding a no-cost four-day "interactive experience" for college sophomores, juniors, and seniors with an interest in insurance, risk management, actuarial science, accounting, public policy, or criminal justice. This will be held in Harrisburg August 12-15, 2019. Details: NextGen Academy Crystal McDonald at [ra-nextgenacad@pa.gov](mailto:ra-nextgenacad@pa.gov)