

LEG REG REVIEW

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LEG REG REVIEW is a periodic newsletter produced by Vince Phillips who retired from active lobbying after 31 years of advocacy in Harrisburg. It contains news on the legislative and regulatory scene in Pennsylvania that may be of interest to the Insurance and Business Communities. Annual subscriptions are \$100 and information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 or e-mail to xenobun@aol.com.

BUDGET SIGNED INTO LAW...BUT SOME OF THE MONEY CANNOT BE SPENT YET

On August 3, after the Senate briefly went into session and signed off on **House Bill 611** (Harris-D-Phila.), Governor Shapiro signed into law, also on August 3. PA now has an enacted State Budget for FY 2023-24 which began July 1st. Senate Republicans cried foul when Governor Josh Shapiro said he would sign **House Bill 611** into law AFTER he used his line-item veto to eliminate \$100 million for scholarships for attendees from underperforming schools to attend charter schools. The outrage comes from what Republicans saw as a promise by the Governor to accept this school choice line item which was broken because of pressure from House Democrats and labor unions such as PSEA.

Specifically, his veto message said:

Regrettably, the House and Senate were unable to reach an agreement on legislation establishing the PA Award for Student Scholarship Program (PASS), a proposal I support. I look forward to continuing this work (that makes progress for our children) with both chambers as we discuss additional programs to help our children, including PASS.

The Governor also said that he signed the budget and issued the line-item veto because he was unwilling to hold up the entire budget for this one issue.

On the Senate floor, Majority Leader Joe Pittman (R-Indiana) reminded the Governor that much of the State Budget needed separate General Assembly approval of Fiscal Code legislation before this money could be released. In a following statement, Pittman and Majority Chair of the Senate Appropriations Committee Scott Martin (R-Lancaster) said that nearly \$1.1 billion of the General Appropriations Budget requires implementation language.

According to a memo from Secretary of the Budget Uri Monson, this includes transfers from the Rainy-Day Account, Educational Improvement Tax Credits (EIT), and an initiative concerning the upgrading of school facilities environmentally. In addition, funds for these programs are being sequestered: COVID School Mental Health Grants, Teacher Stipends, the recently enacted Whole Home Repair program, EMS Rate Increase, Hospital and Health System emergency monies, and two other programs.

NOTE: This sequestering does not impact the PA Insurance Department general operations budget.

ESSENTIAL HEALTH BENEFITS INPUT SOUGHT

The PA Insurance Department is in the process of reviewing health insurance coverage requirements for individual and small group insurance in PA. These are known as essential health benefits (EHBs) and are required by the Affordable Care Act. EHBs include these areas:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs

- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

Comments from Pennsylvanians may be submitted by email to RA-IN-PolicyOffice@pa.gov. Comments can also be submitted via mail, Attn: Katie Merritt, Policy Director, 1326 Strawberry Square, Harrisburg, PA 17120. Comments will be accepted until **Friday, September 1, 2023**. A link to Notice 2023-14 follows:

<https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol53/53-30/1017.html#>.

REGULATORY UPDATE

By law, the PA Insurance Department and other agencies must publish a list of regulations being considered. The Insurance Department has two on its list:

Producer Licensing Modernization Regulatory Proposed Updates	Summer 2023, as Proposed	Repeal outdated regulations and replace with a new chapter implementing sections 601-A—699.1-A of the Insurance Department Act of 1921 (40 P.S. §§ 310.1—310.99a), which will set forth requirements and standards for insurance producers in this Commonwealth.	Eric Carlisle Regulatory Coordinator (717) 346-5628
Health Insurer Applications, Collecting Data for Race and Ethnicity	Summer 2023, as Final	Modify Chapter 89 to permit insurers to collect race and ethnicity data on applications to promote equity initiatives.	Eric Carlisle Regulatory Coordinator (717) 346-5628

If you wish to see what other agencies are considering, please use this link:

<https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol53/53-29/980.html>.

Re CARRIERS SEEK CERTIFICATION

The Insurance Department has received applications from several reinsurers to be certified or recertified: Munich Re; Somerset Reinsurance Ltd.; Somers Re Ltd.; Everest Reinsurance (Bermuda); Fortitude Reinsurance Company Ltd.; Start Insurance & Reinsurance Ltd.

COMMITTEE WORK

Since the General Assembly is not in session until mid to late September, there is little committee activity with two exceptions. This week, the House Professional Licensure Committee is holding a hearing on **House Bill 1000** (Frankel-D-Allegheny). This legislation gives specially trained psychologists and psychiatrists the authority to prescribe psychotropic medications such as those for opioid use disorders.

Also, this week, the House and Senate Agriculture & Rural Affairs Committees are holding a joint hearing at AG Progress Days on **August 9** in PA Furnace, PA to discuss the Farm Bill being considered by the U.S. Congress. One topic that will likely be raised is the importance of Crop Insurance as a continuing safety net for farmers who suffer crop losses. PCN is expected to film the hearing.

Neither the Senate Banking & Insurance Committee nor the House Insurance Committees have meetings scheduled at this time.

UPCOMING INSURANCE MEETINGS

- **On August 9**, the Pittsburgh AHU in partnership with Allstate is presenting ‘Identity Theft Programs: Unmasking the Complexities’. Info on the Zoom seminar is available from info@pittsburghahu.org. <https://agency.pennie.com/events/august-pennie-community-workgroup/>.
- PA Assn. of Mutual Insurance Companies (PAMIC) is convening its Annual Financial Management Seminar in Hershey on **September 14**. Details: www.pamic.org.