

# LEG REG REVIEW

## 2024, 2nd Issue January 14, 2024

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

### INSURANCE DEPARTMENT TO TESTIFY AT BUDGET HEARING

On February 26, the PA Insurance Department will be testifying before a House Appropriations Committee hearing on Governor Shapiro's proposed State Budget for FY 2024-25. This marks the first time that PID has testified before an Appropriations Committee in almost a decade. Because the Department's revenue comes through a restricted fund, the Insurance Regulation and Oversight Fund set up in 2013, there has not been a perceived need to testify previously. One focus could be the work of the Flood Insurance Premium Task Force since PID has asked for public input. There should be live video via <https://www.house.state.pa.us/index.cfm> and on PCN <https://pcntv.com/>.

### SHAPIRO ADMINISTRATION ANNOUNCES HEALTH CLAIM DENIAL APPEAL RESOURCE

On January 8, the Shapiro Administration announced that the PA Insurance Department has a state-administered independent appeal process allowing Pennsylvanians to submit appeals of denied health insurance claims electronically to <https://iro.insurance.pa.gov/> using a system developed by the Commonwealth Office of Digital Experience (CODE PA). If the consumer is eligible, the independent review organization (IRO) reviews the consumer's rationale for appealing a health insurer's denial and makes a final and binding decision on the claim.

This external review only applies for those covered by employer-purchased commercial health insurance, insurance purchased through Pennie, or policies purchased directly from a health insurance company -- and not for those included in self-funded plans. There is no cost for the consumer to file a request to PID.

PID has certified 17 independent review organizations that would perform the review. Reviewers will specialize in the same health area as in the consumer's request for an independent review.

Here is a timeline for the process once a request is made by the insurance consumer to the Insurance Department:

<u>Process</u>	<u>Time Frame</u>
PID determines eligibility for the independent review	Determined within five days
Consumer assigned to independent review organization	one business day
If additional medical or claim information is requested	15 business days after requested
Third-party review decision	Within 45 days from assignment

The aim is for consumers to receive a final decision on their request for the independent (third-party) review of their appeal within sixty days after the request is initially received by PID. Consumers will be required to have received a formal claim denial from their health insurer before the independent review process can begin.

### PENNIE ENROLLMENT EXTENDED TILL JANUARY 19

The enrollment period for enrolling in Pennsylvania's health insurance exchange (Pennie) has been extended to January 19. The extra days were added because the original closing date was January 15, the Dr. Martin Luther King holiday. Details: <https://pennie.com> or 844-844-8040.

## **DOL ISSUES FINAL WORKER STATUS RULE**

The U.S. Department of Labor announced a [final rule](#) effective March 11, 2024 to help employers and workers better understand when a worker qualifies as an employee and when they may be considered an independent contractor under the Federal Fair Labor Standards Act. The rule describes proper classification and seeks to combat employee misclassification. The new Rule rescinds a 2021 Independent Contractor Rule,

## **FEDERALS SEEK TO VOID AHP RULE**

The Biden Administration is proposing to rescind a 2018 Trump-era Rule that favored expansion of Association Health Plans (AHPs). According to the Employee Benefits Security Administration, the 2018 Rule violated terms of a 2019 D.C. District Court decision which found the AHP Rule to be inconsistent with ERISA. The Department of Labor (DOL) said that the Rule “*established an alternative set of criteria for determining when a group or association of employers is acting ... for purposes of establishing an association health plan as a multiple employer group health plan, allowing the AHP to avoid Affordable Care Act consumer protections.*” Examples are ACA requirements for essential health benefits such as emergency and maternity/newborn care.

In the [Federal Register](#), the listed contact person for this proposal is Suzanne Adelman at 202-693-8500 (Source: <https://public-inspection.federalregister.gov/2023-27510.pdf>). There is a public comment period on the proposal to void the 2018 AHP Rule which expires on February 20, 2024. Following is a link for submitting comments: <https://www.federalregister.gov/documents/2023/12/20/2023-27510/definition-of-employer-association-health-plans#open-comment>.

## **POLITICS/ELECTIONS**

- Another legislator announced that he is not seeking another term. He is Senator James Brewster (D-Allegheny) who was elected to the Senate in 2010.
- The special election to replace Democratic Rep. John Galloway in Bucks County is set for February 13. It pits Democrat Jim Prokopiak, a Pennsburg School Board member against Republican Candace Cabanas who moved to Bucks County from Lancaster where she was active in Lancaster County politics. The final date to register to vote for this special election is January 29.
- Rep. Dawn Keefer (R-York), Chair of the House Freedom Caucus, is running for the GOP nomination of the York and Cumberland Counties district currently held by Republican Senator Mike Regan.

## **NAHU IS NOW NABID**

The National Association of Health Underwriters (NAHU) officially changed its name on January 1, 2024 to National Association of Benefits & Insurance Professionals (NABID). In accordance with the transition, the PA Association of Health Underwriters (PAHU) is now Pennsylvania Chapter of NABIP. The PA Chapter has also revised its organizational structure to merge the three separate associations within Pennsylvania (Greater Philadelphia AHU, Central PA AHU, and Pittsburgh AHU) into one unified state-wide organization. NABID builds on the work and advocacy of its predecessor, NAHU, which was founded in 1930.

On February 1, Pennsylvania NABIP will have a Kick-Off virtual event. It will include Honorable Michael Humphreys, PA Insurance Commissioner and NABIP CEO Jessica Brooks-Woods. Details: Karen A. Weinlader, Executive Director at 215-771-6050 and [KWeinlader@pa-nabid.org](mailto:KWeinlader@pa-nabid.org).

## **NAIFA LINKS WITH FINANCIAL SERVICES GROUP**

The National Association of Insurance and Financial Advisors (NAIFA) has joined with the Society of Financial Service Professionals and Life Happens (consumer education/outreach). NAIFU says: “Complimented by its professional development and consumer divisions, the Society of Insurance Professionals and Life Happens, the association delivers value through advocacy, service, and education.” NAIFA also announced a 2025 Strategic Plan and a 2024 Business Implementation Plan: [Download NAIFA 2025 and the 2024 Business Implementation Plan.](#)