

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. Subscriptions are \$100 and information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 or e-mail to xenobun@aol.com.

MANDATED BENEFIT BILL PROGRESSES IN SENATE

Legislation mandating health insurance coverage for long-term Lyme Disease prescriptions was re-referred to the Senate Appropriations Committee. **Senate Bill 1188** (Brooks-R-Erie/Crawford/Mercer/Warren) would be given an analysis of its impact on the State Budget. Then, if approved, SB 1188 would move to the full Senate for a vote. Health insurers are concerned that this bill would allow for extended prescriptions past recognized medical limits and open the door to potentially harmful treatment of the disease. Its House counterpart is **House Bill 1033** (Rapp-R-Crawford) which was approved by the House 136-66 on June 7 and is now in the Senate Banking & Insurance Committee.

INSURANCE COMMITTEE TO TAKE UP NAIC MODEL LAW

The House Insurance Committee is slated to take up **Senate Bill 1222** (DiSanto-R-Dauphin/Perry) on June 20. This legislation adds a liquidity stress test requirement for insurers within an insurance holding company system operating in the Commonwealth. It is consistent with Model legislation put forth by the National Association of Insurance Commissioners (NAIC). SB 1222 seeks to safeguard the state's regulatory authority over insurance. The Insurance Commission may require a bond from insurers defined to be in "*hazardous financial condition or a condition that would be grounds for supervision, conservation, or a delinquency proceeding.*"

SB 1222 has a section dealing with confidentiality of insurer information, stating that it is not subject to the Right To Know Law, to subpoenas, and not be subject to discovery or admissible in evidence in any private civil action. In addition, the group capital calculation and any liquidity stress test results are regulatory tools and "*are not intended as a means to rank insurers or insurance holding company systems generally...*" It passed the Senate June 8 by a 49-0 vote.

Following is a link to the bill:

<https://www.legis.state.pa.us/cfdocs/billInfo/billInfo.cfm?sYear=2021&sInd=0&body=S&type=B&bn=1222>.

CHIP BILL CONTINUES TO ADVANCE

Senate Bill 1235 (DiSanto-R-Dauphin/Perry) continues to progress. It was approved unanimously by the House Insurance Committee on June 14 and could receive a final House vote this week. If successful, it would go to Governor Wolf for his signature. SB 1235 prohibits the PA Department of Human Services (DHS) from using service zones that conflict with Capital Blue Cross legal restrictions on where it can market in PA. Capital Blue Cross may only market in 27 PA counties and the DHS service zones overlap into other counties. As a result, unless legislation passes, per DHS rules, Capital Blue Cross could not market CHIP at all.

MANDATED COVERAGE BILL PASSES SENATE

The PA Senate voted 49-0 on June 13 to pass legislation mandating health insurers to cover blood lead testing for enrollees who are pregnant or are less than two years old. On June 14, **Senate Bill 522** (Baker-R-Luzerne/Pike/Susquehanna/Wayne/Wyoming) was referred to the House Children & Youth Committee.

MORE MANDATED BENEFIT LEGISLATION

- On June 15, the Senate Banking & Insurance Committee voted 14-0 for **Senate Bill 1201** (Pittman-R-Indiana). This allows for mandated insurance reimbursement for early refills of prescription eye drops.
- On June 8 **Senate Bill 1202** (Brooks-R-Erie/Mercer/Crawford/Warren) was re-referred to the Senate Appropriations Committee a day after being OK'd unanimously by the Senate Health & Human Services Committee. This is a mandated benefit bill to require health insurance coverage for prescribed pasteurized human donor milk

STATE BUDGT UPDATE

On June 13, the House Appropriations Committee reported out **House Bill 2652** (Saylor-R-York). It provides appropriations for the expenses of the Commonwealth and says that, if approved, the total State Budget would be \$76.6 billion dollars. This includes \$41.6 billion in State money and \$34.96 billion coming from the Federal Government. It also projects \$31.6 million in the Insurance Regulation & Oversight Fund. This Fund supplies the general government operations budget of the PA Insurance Department.

Senate Bill 1100 (Browne-R-Lehigh) authorizes payments of bills remaining unpaid as of the end of this fiscal year June 30. Status: Passed PA Senate on June 14 by a 49-1 vote; House Appropriations Committee voted 22-15 on June 15. Unlike the Senate vote, the House Appropriations Committee vote was along party lines with Democrats saying no. Two more examples: **House Bill 2661 (Saylor-R-York)** and **Senate Bill 1113 (Browne)** make an appropriation of \$80 million from a restricted revenue account to fund the operations of the Public Utility Commission. Status of HB 2661: House Appropriations Committee. SB 1113 passed the Senate 49-0 on June 8; Bills funding Consumer Advocates and Small Business Advocates also are well under way for enactment.

CAPITAL BUDGET ALMOST AT THE FINISH LINE

Although the media does not usually cover the PA Capital Budget, it is important as it lists authorization for agency buildings/restorations/updating, etc., state-supported universities, economic development projects, brick and mortar improvements to state properties and a host of local projects from counties and townships. **NOTE** that this does not necessarily mean that work on the projects will occur as authorization is not appropriations. In many cases, funding will come from bond issues (state borrowing). In **Senate Bill 915** (Browne), authorized debt is \$21.46 billion. Most recently on June 15, the Senate voted 50-0 to concur with House amendments. This means that the Capital Budget will be sent to Governor Wolf for his approval this coming week.

COMMITTEE WORK

- This week, the Senate Environmental Resources & Energy Committee is scheduled to consider **House Bill 1780** (Armanini-R-Clearfield). This would extend the Underground Storage Tank Environmental Cleanup Program and the Underground Storage Tank Pollution Program until December 31, 2027. These programs are the underpinning of the Underground Storage Tank Indemnification Fund (USTIF) administered by the PA Insurance Department. If HB 1780 is not passed, authorizations for both programs would expire June 30, 2022.
- **House Bill 2644** (Causer-R-Cameron/McKean/Potter) was reported out by the House Rules Committee by a 18-15 vote June 15 with all Democrats voting in the negative. HB 2644 addresses bonding requirements for currently producing gas and oil wells and takes the authority to set bond requirements away from the Environmental Quality Board and assigns it to the General Assembly. It was re-referred to the House Appropriations Committee also on June 15. Getting a Fiscal Note this late in June is a likely sign that the House will pass it before the summer recess.
- **House Bill 1694** (Struzzi-R-Indiana) provides limited liability protection for volunteers and volunteer organizations invited by a landowner onto a property to improve it for recreational purposes. Status: Re-referred to House Appropriations Committee on June 14 after being voted out of the Senate Community Economic & Recreational Development Committee on June 7.