

## February 2006 - Legislative Update

### Bills that have passed:

- HB 107, providing HSA tax incentives. Passed the House, amended and passed by Senate. The House concurred with the Senate amendments, (However, tax incentives were reduced by the amendments. Contributions to an HSA are not tax-exempt, but income earned by the account is.) Governor signed into law on July 14, as Act 48.
- SB 260, the Interstate Compact for certain life, annuity, and LTC products, passed the House and Senate. It was signed into law by the Governor as Act 78 of 2005.
- SB 300, providing HSA tax incentives (exempting both contributions and interest from Personal Income Tax). Passed the Senate, referred to the House. As time ran out before summer recess, the House took action on HB 107, as amended by the Senate, rather than SB 300. *This bill has been through the House Rules and Appropriations Committees. As of this report, SB 300 is still in the House Insurance Committee.*
- SB 854, which would exclude HSA contributions from PA Personal Income Tax, passed the full Senate. This is the second such bill passed by the Senate (see SB 300 above). This bill was stripped of HSA language and was used as the vehicle for property tax reform. Passed the House, referred to Senate Rules Committee, *where it is still waiting action.* One of its provisions would extend the state Sales Tax to include Professional Fees. PAHU is working to determine if this would include fees charged by insurance producers. *At a Hearing on January 18 there was testimony from a wide range of business and insurance groups opposing any extension of the Sales Tax.*
- HB 2243, mandating insurance coverage for the diagnosis, treatment, and rehabilitation for autism, passed the House. Currently in Senate Committee on Banking and Insurance.

### Bills still in committee or waiting for final floor vote:

- HB 57, prohibiting the use of credit scores in insurance underwriting and rating.
- HB 93, a bill to create a Long Term Partnership in PA, once the Federal impediment is removed. The bill appears to have broad bi-partisan support. Passed the House Aging and Older Adult Services

**Committee and the Rules Committee. Waiting for action by the full House.**

- **HB 132, which would amend the PA Constitution to permit the General Assembly to cap non-economic damages for medical malpractice awards.**
- **HB 154, which would establish a personal income tax credit for LTC insurance premiums.**
- **HB 155 which would amend the Constitution to permit the General Assembly to enact personal income tax LTC incentives.**
- **HB 297, prohibiting the use of genetic information in health insurance underwriting.**
- **HB 350, mandating insurance coverage for hearing aids. At the request of the Chairman of the Insurance Committee, the Pennsylvania Health Care Cost Containment Council (PHC4) is conducting a study on the impact of this mandate on health insurance.**
- **HB 470 requiring disclosure of insurance producer compensation to the customer. Included are commissions, fees, contingent commissions, overrides, bonuses, awards, gifts, and prizes.**
- **HB 503 would regulate managed care plans' contracting practices.**
- **HB 561 would require a semi-annual audit of the waiting list for AdultBasic to make certain those on the list were still eligible.**
- **HB 679 would permit those on the waiting list for AdultBasic to purchase "Special Care" coverage (a so-called limited benefit program underwritten by the Blues) without losing eligibility for AdultBasic. During a hearing on this bill the Insurance Department testified that 60-65% of those on the waiting list for AdultBasic were employed. Reported out of the Insurance Committee, and tabled.**
- **HB 738, placing a moratorium on new mandated benefits without a cost-benefit analysis performed by the Legislative Budget and Finance Committee. (This bill is part of the Keystone Manufacturing Initiative package of bills introduced by the House majority.)**
- **HB 755 would amend the PKU mandate by requiring screening tests. Reported out of Children and Youth Committee, referred to Health and Human Services Committee.**
- **HB 814, a bill to restrict mail-order pharmacy, referred to the House Insurance Committee and tabled.**
- **HB 924, permitting carriers to issue "affordable" individual and group health policies without some of the state mandates. Referred to the Health and Human Services Committee, not the Insurance Committee.**
- **HB 1060, which would restrict the use of credit scores by personal lines insurance companies.**
- **HB 1128, another anti-credit scoring bill.**

- **HB 1201, mandating modified demographic rating for small groups, but permitting medical underwriting.**
- **HB 1202, creating an Interstate Compact for life insurance, DI, annuities, and LTC.**
- **HB 1224, requiring carriers to accept “any willing ambulance provider” into their networks.**
- **HB 1240, mandating modified demographic rating for small groups, and prohibiting medical underwriting.**
- **HB 1267, mandating home health care coverage after chemotherapy.**
- **HB 1336, requiring the Department of Public Welfare (DPW) to prepare an annual report showing the name and address of every employer in the Commonwealth with 20 or more employees that has employees who are beneficiaries of public health programs. The report would include the number of such employees and dependents, and the cost to the Commonwealth.**
- **HB 1344 mandates benefits for breast cancer screening.**
- **HB 1431 would mandate colorectal screening.**
- **HB 1534, mandating coverage for long-term antibiotic treatment for Lyme disease. Passed the House Health and Human Services Committee, referred to the Appropriations Committee.**
- **HB 1705, mandating coverage for bleeding disorders such as hemophilia. Referred to the Insurance Committee, reported to the Floor. This bill is scheduled for action.**
- **HB 1790, requiring hospitals to issue public reports on re-infection rates. The bill would also extend the sunset date for the PA Healthcare Cost Containment Council (PHC 4) to 2013. The Health and Human Services Committee has scheduled a Hearing on this bill.**
- **HB 1741, a Small Group rating bill. Permissible rating methodology available to a carrier would be based on the carrier’s market share in the specific marketing region of the state. A Hearing is scheduled for August 9.**
- **HB 2125, providing tax incentives for HSA contributions.**
- **HB 2252, another “any willing ambulance provider” bill. Referred to Veterans Affairs and Emergency Preparedness Committee.**
- **HR 79, to require a performance audit of the Insurance Department.**
- **House Resolution 400, directing PHC4 to analyze the costs of mandated benefits for infertility.**
- **SB 83 would permit self-employed persons without health insurance for 90 days and small employers (2-50 employees) that have not offered health insurance in the past 12 months to enroll in the Adult Basic Program.**
- **SB 120, mandating coverage for cancer prevention and early detection programs.**

- SB 121 mandating coverage for prostate specific antigen testing.
- SB 123 mandating coverage when an insured enrolls in approved cancer trials.
- SB 230, requiring health insurers to disclose fee schedules to doctors, and preventing bundling of surgical procedures in a single operation.
- SB 287, prohibiting the use of credit scores in insurance underwriting and rating. A companion SB 286 would extend the same prohibition to auto insurance underwriting.
- SB 418 would provide presumptive eligibility in the CHIP program to children. Referred to Public Health and Welfare Committee.
- SB 419 would establish an Office of Consumer Advocate for Insurance within the Office of Attorney General.
- SB 420 would mandate coverage for Medical Nutrition Therapy to aid in the treatment of cardiovascular disease.
- SB 474, mandating contraceptive coverage for health plans offering Rx coverage.
- SB 518, prohibiting health plans from requiring mail-order prescriptions.
- SB 536, permitting health care providers to negotiate jointly with health plans.
- SB 566, another anti-credit scoring bill.
- SB 635 would mandate colorectal screening.
- SB 671 would prohibit medical underwriting for small groups. It is similar to HB 1240.

#### **Bills that have been introduced:**

- ***HB 2331, requiring that association health insurance plans covering 50 or more lives be rated based on the plan's claims experience. Currently in the Insurance Committee, which held a hearing on January 26. The PA Farm Bureau Federation and the NFIB testified in support, while two Blue plans, the Insurance Federation of PA (IFP), and the PA Chamber of Commerce and Industry opposed.***

#### **Legislative Update:**

- ***The General Assembly's main focus is now on budget and tax issues. The January numbers show tax revenues surging, with a current surplus of \$306 million, more than double what was predicted.***

## **State Politics:**

- **Twenty-two House members (12 R's and 10 D's) have announced that they will not seek re-election this fall, along with 2 Senators (both R's).**
- **This is a gubernatorial election year. One of the two leading Republican contenders has dropped out of the race, so there will be an uncontested Primary election to name Lynn Swann as the Republican candidate to oppose Gov. Rendell.**