

## **LEG REG REVIEW**

### **2024, 14th Issue, June 18, 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).*

#### **BUSY WEEK FOR INSURANCE ISSUES**

As noted previously, June is a busy legislative month. Besides meeting the June 30 deadline to pass the State Budget, it is a race to address unfinished business as legislators wait to see how negotiations turn out between House majority Democrats, Senate majority Republicans, and the Governor. Both House and Senate will return to Harrisburg on June 24.

#### **PET INSURANCE BILL SIGNED INTO LAW**

Governor Josh Shapiro signed **House Bill 660** (Schlossberg -D-Lehigh) into law as **Act 19 of 2024 on June 10**. It adopts the National Association of Insurance Commissioners (NAIC) model legislation and provides a number of consumer safeguards overseen by the PA Insurance Department. Some of these include:

- Policies must disclose any exclusions or coverage limitations for things like waiting periods and pre-existing conditions.
- Some additional disclosures center on deductibles and co-insurance, premium changes due to the animal's age, claims history, or change in geographic location.

#### **GOVERNOR SIGNS TRAVEL INSURANCE BILL INTO LAW**

On June 17, Governor Shapiro signed **Senate Bill 943** (Phillips-Hill-R-York) as **Act 28 of 2024**. It specifies requirements to sell Travel Insurance, both for a Limited Line Travel Insurance License and holders of P/C licenses. It also references consumer safeguards and strengthens the Insurance Department's regulatory oversight. Earlier, on June 5, the House passed SB 943 by a vote of 202-0.

#### **HOUSE PASSES INSURANCE MEASURES**

- Passed by the House 200-1 on June 10 was **House Bill 1754** (Mullins-D-Lackawanna and Cutler-R-Lancaster), a mandated benefit bill that expands the use of precision medicine using biomarkers. The following day, HB 1754 received a unanimous 14-0 vote from the Senate Banking & Insurance Committee. It was re-referred to the Senate Appropriations Committee on June 12 – a sign that the Senate intends to complete its work on the bill before the summer recess. Biomarkers and Biomarker testing are defined in the legislation as:  
*"Biomarker." A characteristic that is objectively measured and evaluated as an indicator of normal biological processes, pathogenic processes or pharmacologic responses to a specific therapeutic intervention, including known gene-drug interactions for medications being considered for use or already being administered. The term includes gene mutations, characteristics of genes or protein expression. "Biomarker testing." The analysis of a patient's tissue, blood or other biospecimen for the presence of a biomarker. The term includes single-analyte tests, multi-plex panel tests, protein expression and whole exome, whole genome and whole transcriptome sequencing."*
- **House Bill 1021** (Sanchez-D-Montgomery) sailed through the House unanimously on June 10. It prohibits insurers from denying, canceling, or choosing not to renew an application for life insurance based solely on the fact that the applicant or policy holder has a prescription for a reversal agent for an opioid overdose such as Naloxone. HB 1021 is an amendment to the Unfair Insurance Practices Act (Act 205). It originally included health insurers but that was amended out of the bill.

- On June 11, the House passed **House Bill 2309** (Kinkead-D-Allegheny) by a vote of 201-0. It is a Crop Insurance bill providing state assistance to dairy farmers in applying for USDA's Risk Management Agency's Dairy Margin Coverage Program. This insurance program offsets dairy farmer losses that can occur if there is a sudden drop in the price of that commodity. New farmers would be given priority in receiving this aid.
- Two other pieces of insurance-related legislation passed the House. The first was **House Bill 2127** (Fiedler-D-Phila.) requiring that postpartum information be provided to the mother and her family. Originally, the bill required screening which had the potential of increasing health insurance reimbursements but the language was softened in committee. The vote was 201-0. The second item was **House Resolution 366** (Markosek-D-Westmoreland), adopted 201-1 on June 12. It recognizes the week of May 9-15, 2024, as 'National Stuttering Awareness Week.' It is a companion to a mandated benefit speech therapy for stuttering bill, **House Bill 2268** (Markosek), that was reported out of the House Insurance Committee June 11 by a vote of 24-0 and re-referred to the House Rules Committee.

### **PBM ACTION CONTINUES**

Perennial concerns brought to the General Assembly are practices of Prescription Benefit Managers (PBMs) impacting what independent pharmacies can and cannot do. **House Bill 1993** (Benham-D-Allegheny) seeks to address these concerns by strengthening Insurance Department oversight, forcing transparency on manufacturer rebates and payments to PBMs, and whether or not those savings are passed on. The House Health Committee reported HB 1993 by a 24-0 vote on June 12. It was re-referred to the House Rules Committee.

Its Senate companion, Senate **Bill 1000** (J. Ward-R-Blair), was reported out by the Senate Health & Human Services Committee 14-0 on June 4 and re-referred to the Senate Rules & Executive Nominations Committee.

### **ELIMINATING PRE-LICENSING EDUCATION RECEIVES COMMITTEE NOD**

On June 11, the Senate Banking & Insurance Committee reported **Senate Bill 1241** (Gebhard-R-Lebanon) by a vote of 14-0. SB 1241 would eliminate the 24 hours of pre-licensing instruction required before a person can take the insurance licensing exam. It was re-referred to the Senate Appropriations Committee the following day.

### **OTHER COMMITTEE WORK**

- The Senate Banking & Insurance Committee on June 11 reported **House Bill 2096** (Warren-D-Bucks) unanimously. This would authorize Surplus Lines licensees to receive a service fee in addition to commissions. For Personal Lines, the fee amount must not exceed \$150.00 or four-percent of the premium. There are advance fee disclosures to the clients and a listing on monthly reports going to the Insurance Department. It has been re-referred to the Senate Appropriations Committee.
- This committee also voted 14-0 to report **House Bill 1664** (Scott-D-Montgomery). This would prevent health insurance companies from mandating payment via virtual credit card for dentists' claims. In addition, insurers' electronic funds transfers could not impose a fee for the transaction. In committee, HB 1664 was amended to expand the scope of the bill to include other health care providers.
- **Senate Bill 739** (Vogel-R-Beaver) was re-referred to the House Appropriations Committee on June 12. This action is a strong indication that SB 739 will pass the House before the summer recess. This bill would regulate the use of Telemedicine (remote health care) and require insurers to pay those claims within certain parameters. Insurers could not exclude coverage solely because the service is provided through Telemedicine. In addition, reimbursement for a claim may not be predicated on the use of an exclusive proprietary technology or vendor.
- After the June 11 unanimous vote by the House Insurance Committee on **House Bill 1140** (Krueger-D-Delaware), it was re-referred to the House Rules Committee -- a signal that the House leadership wants this to pass as quickly as possible. This is a mandated benefit bill requiring health insurers to cover all FDA-approved oral contraceptives. The committee vote was unanimous.