GRANGE PAGE 10/25/17

**NO LACK FOR VARIETY IN HARRISBURG RIGHT NOW**

**Vince Phillips, PA State Grange Legislative Director**

**Budget Fight Continues and Continues and Continues…**

It may be Indian Summer elsewhere in the Commonwealth but in Harrisburg, it might as well still be last summer since legislators continue to wrestle with the State Budget. As most know, the legislature passed a spending bill in early July, and then, the harder task began of how to fund the State Budget. Since then, it has been a series of back and forth with the Senate pushing for a tax on Marcellus Shale natural gas extraction and the House trying to pull money from numbers of dedicated funds such as one explicitly directed to help Conservation Districts do their work.

The dust is beginning to clear and there may very well be a final budget by the time you read this issue of Lancaster Farming. Predictions are dangerous but it is likely to include monies from some dedicated funds, borrowing $1.2 billion ahead from Tobacco Settlement money paid to the state each year, and taking $200 million in reserves from an insurance company of last resort for doctors who cannot get standard medical malpractice insurance coverage. This is called the Joint Underwriting Association (JUA).

Lawsuits may still complicate the finale. JUA says it will sue because (it says) it is illegal for state government to seize money from a private sector insurance company. The legislative language says that JUA will be abolished by the state if it does not relinquish its reserve money that the state wants. Meanwhile, a lawsuit was filed attacking Governor Wolf’s intention of borrowing against future profits from the PA Liquor Control Board. So far, there is no lawsuit against Wolf for wanting to take out an equity loan for the Farm Show Complex -- On October 13, the Governor put out a request for bids to those who might want to give PA a loan against its Farm Show Complex property. **NOTE: PA State Grange is strongly opposed to taking out an equity loan on the Farm Show Complex.**

But, that’s not all that is going on in Harrisburg.

**Senate Prescription Price hearing Gets Feisty**

On October 24, the PA State Grange testified at a hearing of the Senate Banking & Insurance Committee on the issue of drug price transparency. At issue was Senate Bill 673 sponsored by Senator Don White (R-Indiana). It would force drug manufacturers to provide information on the costs of making drugs, money spend in research versus marketing, and profits. The drug companies’ lobbyist said that SB 673 would not help consumers directly. Part of the Grange testimony rebutted this, saying that drug cost and price transparency will help consumers because regulators would know better when price-gouging occurs and insurance companies would be in a better position to negotiate lower prices from the drug manufacturers if information can be compared with what drug companies are charging elsewhere. The example used was if Epi-pens are found to cost $150.00 in California and Pennsylvania’s price is $600.00, then insurance companies can raise a red flag.

Despite strong questioning from the committee’s Minority Chair Senator Sharif Street (D-Phila.), the pharmaceutical company witness did not provide a satisfactory answer to the Senator on why drug cost/price information should not be disclosed. What the lobbyist did say was that insurance company administrative costs should be targeted instead to reduce insurance costs rather than drug prices which he said were not increasing that much. He did acknowledge that the recent price increase for Epi-pens was the result of a bad actor, one is not a member of Pharma, the drug company membership organization. On their side, the witness from southeast PA’s Independence Blue Cross cited examples of dramatic increases in recent drug pricing from 2012 to 2016:

* The average wholesale price per patient prescription has increased 24%.
* Total costs of prescription claims paid out by Independence Blue Cross jumped 40% from $806 million in 2012 to $1.1 billion in 2016.
* Average cost of brand-name specialty drugs are sixty times the amount spent on generic drugs accounting for 60% of drug claim costs for Independent even though these specialty drugs only accounted for 2.1% of utilization.

The bottom line to the hearing was a comment by Senator Dan Laughlin (R-Erie) who said that *“consumers are being hosed*” by drug companies raising their prices. **NOTE: PA State Grange supports prescription cost/price transparency.**

Some other happenings of interest to PA State Grange members:

* **School Vouchers.** Senate Bill 2 dealing with school vouchers did not pass the Senate Education Committee due to a no proxy vote by Senator Robert ‘Tommy’ Tomlinson (R-Bucks) on October 25. **NOTE: PA State Grange does not have a formal position on school vouchers given differences in members’ views.**
* **CHIP Transgender Treatments blocked.** Legislation to reauthorize the Children’s Health Insurance Program (CHIP) was amended to prevent CHIP dollars from being spent on any services for children with gender issues. The Senate softened the bill to allow trans-gender counseling but no money for sex change operations. On October 25, it passed the Senate 37-13 and was returned to the House for concurrence. House Bill 1388 is sponsored by Rep. Rich Irvin (R-Mifflin)
* On October 17, the PA House voted against an action taken by the Delaware River Basin Commission to would push forward a rule to ban fracking in about ¼ of the state. Although not binding, House Bill 515 (Fritz-R-Susquehanna) puts the House on record as saying that the Commission exceeded its legal authority.. **NOTE: PA State Grange supported the resolution, not as a vote for or against fracking but rather a statement that the Delaware River Basin Commission should not be able to do an end-run around Pennsylvania’s Act 13, established law in PA, which allows fracking.**
* On October 19, Governor Wolf vetoed a bill that would require non-disabled Medicaid recipients to look for work. House Bill 59 is sponsored by Rep. Dan Moul (R-Adams).
* As of October 17, House Bill 176 (Pickett-R-Bradford) is waiting for Governor Wolf to sign it into law. Among other things, it exempts roadside stands from having to comply with building standards of the Uniform Construction Code. **NOTE: Rep. Pickett is a Grange member. PA State Grange supports HB 176.**