

**INDEPENDENT REGULATORY REVIEW COMMISSION
PUBLIC MEETING MINUTES**

10:00 A.M.

Thursday, April 10, 2014
14th Floor Conference Room
333 Market Street

I. CALL OF THE MEETING

The April 10, 2014 public meeting of the Independent Regulatory Review Commission (Commission) was called to order by Chairman Mizner at 10:00 a.m. in the 14th Floor Conference Room, 333 Market Street, Harrisburg, PA.

Commissioners Present: John F. Mizner, Esq., Chairman
George D. Bedwick, Vice Chairman
W. Russell Faber
Lawrence J. Tabas, Esq.

Telephone: Dennis A. Watson, Esq.

II. APPROVAL OF THE FEBRUARY 27, 2014 PUBLIC MEETING MINUTES

Chairman Mizner asked for a motion for approval of the February 27, 2014 public meeting minutes, as submitted. Commissioner Faber made the motion and Vice Chairman Bedwick seconded, and the motion passed 5-0.

III. NEW BUSINESS

A. DEEMED APPROVED

1. No. 3016 Department of Public Welfare #14-537: Payment for Nursing Facility Services Provided by Special Rehabilitation Nursing Facilities

B. ACTION ITEMS

1. No. 2983 State Board of Social Workers, Marriage and Family Therapists and Professional Counselors #16A-6920: Biennial Renewal Fees

Scott Schalles, Regulatory Analyst, explained the regulation increases biennial renewal fees for licensed social workers, clinical social workers, marriage and family therapists, and professional counselors from \$75 to \$95. He noted the proposed regulation suggested a fee of \$115 but the State Board of Social Workers, Marriage and Family Therapists and Professional Counselors (Board) reviewed their financial situation and decided a more modest renewal fee of \$95 is appropriate at this time.

Cynthia Montgomery, Regulatory Counsel, and Megan Castor, Counsel, Department of State, were present to answer any questions. Ms. Montgomery said the fee increase is necessary and described the reasons why the Board allowed for the change to \$95 and not to \$115. She urged the Commission's approval of the regulation.

Commissioner Watson made a motion for approval. Vice Chairman Bedwick seconded, and the motion passed 5-0.

2. No. 3030 Insurance Department #11-252: Rules and Procedural Requirements for Insurance Holding Company Systems

James Smith, Regulatory Analyst, explained the regulation updates Chapter 25 to implement changes made by Act 136 of 2012 and a National Association of Insurance Commissioners Model Rule. He said the changes are administrative amendments that affect reporting firms. Mr. Smith stated the Insurance Federation of Pennsylvania has approved of the regulation.

Steve Johnson, Deputy Commissioner, and Jodi Frantz, Counsel, Insurance Department, were present to answer any questions. Mr. Johnson described how the National Association of Insurance Commissioners met to determine the lessons learned from the financial meltdown of 2008. He said the association determined more authority is needed over holding companies, which he described as groups of insurance companies held by common ownership. Mr. Johnson explained the changes were drafted with major stakeholders in the Commonwealth and the regulation includes many comments from those stakeholders. He stated the regulation must be "on the books" by January 1, 2016, but he would like to get an early start because the regulation is common sense.

Commissioner Tabas asked if all risk-bearing entities will be affected by the regulation. Mr. Johnson said only insurance holding companies as defined by the law are covered by the regulation. Commissioner Tabas said the regulation looked good; he said he thought the first enterprise risk report was due in January of 2014, he asked how the report could be made without guidelines. Mr. Johnson said the report was due March 31, 2014, and he informed the community to look to the proposed rulemaking for the form that should be used to make the report until the final rulemaking is adopted. Mr. Johnson explained the Insurance Department received the reports by their due date.

Vice Chairman Bedwick said he was previously concerned the regulation changed language from "corporation" to the term "person." Mr. Johnson said the intent behind the change was the term "person" has a broader definition than the word "corporation."

Commissioner Tabas made a motion for approval. Vice Chairman Bedwick seconded, and the motion passed 5-0.

3. No. 3021 Department of Banking and Securities #3-51: Assessments

Mr. Schalles explained the regulation establishes an assessment schedule for chartered institutions, credit unions, trust companies, and banks in the Commonwealth. He said the Commission disapproved the rulemaking in February because there was no calculation determination for the inflation adjustment provision. Mr. Schalles stated the revised final form rulemaking includes a calculation determination.

Carter Frantz, Chief Counsel, Department of Banking and Securities (Department), was present to answer any questions. He explained the Department included the Commission's suggestions and changed the regulation accordingly. Mr. Frantz described the newly added sections and discussed the language provisions that were "cleaned up."

Commissioner Tabas said he thought the Department did an excellent job in responding to the Commission's disapproval order. He said Mr. Frantz's actions were a "model of timeliness in fully responding and going above and beyond to address everyone's concerns."

Vice Chairman Bedwick concurred with Commissioner Tabas' statements.

Chairman Mizner said the way Mr. Frantz and the Department responded to the Commission's suggestion is "impressive and serves the Commonwealth very well."

Commissioner Faber also thanked the Department for their work.

Commissioner Tabas made a motion for approval. Commissioner Faber seconded, and the motion passed 5-0.

IV. OTHER BUSINESS

Approval of Vouchers

Commissioner Tabas made motions to approve vouchers and expenses for the period February 27, 2014 through April 9, 2014. Commissioner Faber seconded, and the motions passed 5-0.

V. DATE AND PLACE OF SUBSEQUENT MEETING

Chairman Mizner announced the next public meeting is scheduled for Thursday, May 1, 2014, at 10:00 a.m. in the 14th Floor Conference Room, 333 Market Street, Harrisburg.

VI. EXECUTIVE SESSION ANNOUNCEMENTS

Chairman Mizner announced that no executive session would be held.

VII. ADJOURNMENT

Chairman Mizner announced the meeting adjourned at 10:19 a.m.