

BRYAN BARBIN, MEMBER

413 MAIN STREET
JOHNSTOWN, PENNSYLVANIA 15901-1880
PHONE: (814) 536-9818
FAX: (814) 539-8429

4 EAST WING
HARRISBURG, PENNSYLVANIA 17120-2071
PHONE: (717) 783-1491
FAX: (717) 705-7001




House of Representatives
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DATE: January 31, 2011
TO: All House Members
FROM: Representative Bryan Barbin 
SUBJECT: Co-sponsorship of Legislation: Medical Discount Plan

I hope you will join me and co-sponsor the important consumer protection legislation approved unanimously by the House Insurance Committee last session. I will be soon reintroducing, i.e. House Bill 2573 from the last session. That legislation is entitled the Discount Plan Organization Act.

The legislation is based upon the National Association of Insurance Commissioner's Model law, which has been adopted in a number of other states. It is a consumer protection law, which for the first time provides comprehensive regulatory controls through the Pennsylvania Insurance Department over discount plan organizations (DPOs).

Under the legislation, the Department will license and regulate DPOS, which are either medical or prescription discount programs. In essence, consumers can enroll in them for a fee, and in return obtain discounted medical or prescription services. The Department will regulate all aspects of the DPOS, including their financial status, compliance with state law, treatment of consumers, and reporting requirements.

The problems encountered by consumers of medical discount programs have been reported nationwide. Implementation of the new federal health care reform legislation has prompted certain unscrupulous individuals to take advantage of the insurance consuming public. This legislation will provide relief to the senior citizens and the working poor of the Commonwealth.

If you would like to co-sponsor this pro-consumer legislation, please email Valerie Hubbard at vhubbard@pahouse.net.