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DATE: January 31, 2011
TO: All House Members
FROM: Representative Bryan Barbin 
SUBJECT: Co-sponsorship of Legislation: Multiple Employer Welfare Arrangements

In the near future I will be introducing legislation developed by the National Association Insurance Commissioners (NAIC), which will prevent the operation of illegal health insurers, including illegal multiple employer welfare arrangements (MEWAs), in the Commonwealth. The legislation will protect consumers from illegal operations and ensure that claims for services rendered by health care providers will be satisfied.

The legislation will enlist the assistance of licensees and insurance professionals, including agents and brokers, in combating illegal operations. Licensees will act as an early warning system, and will be expected to make reports of illegal activity when the licensee knows that a questionable health insurance product is or is about to be offered for sale in this state. The legislation details the circumstances under which a licensee should know of the offering. In addition, the legislation requires licensees to exercise due diligence when considering whether to do business with a health plan.

As Pennsylvania and the country move toward full implementation of health care reform, protection of consumers and their health insurance must be given the highest priority. Reports of fraudulent health insurance schemes have surfaced in various parts of the country, and state and federal officials have issued several warnings. This legislation will address these concerns.

I hope you will join me in co-sponsoring this important pro-consumer legislation. If you wish to do so, please email Valerie Hubbard at vhubbard@pahouse.net.