

MEMORANDUM

Date: September 27, 2011

To: All House Members

From: Representative Tony DeLuca

Subject: Co-sponsorship of Legislation: **Powers of the Insurance Commissioner
Under Act 94 of 1975**

Very soon, I will introduce legislation addressing the contract stalemate between UPMC and Highmark. Currently, under Act 94 of 1975, the Department of Insurance has the authority to step into a contract termination dispute between a hospital and an insurer and determine whether termination of a contract is recommended. My bill will strengthen the provisions of Act 94 by clarifying that expiring contracts are also subject to Act 94 and dictating that should the Insurance Commissioner decide it is not in the best interest of our citizens to allow the contract to expire, then the contract would continue for another term.

It is essential that individuals have affordable, quality care. Therefore, it is imperative that we pass legislation that will assure health insurance subscribers continued receipt of adequate hospitalization and related health benefits upon the expiration of contracts between hospitals and insurers.

The citizens of western Pennsylvania who carry Highmark health insurance cards are scared and want answers. The leaders of UPMC have made themselves very clear in stating that they have no plans to contract with Highmark, after expiration of the current contract in June of 2012. This will leave Highmark subscribers to basically fend for themselves in attempting to find adequate substitutes for the medical care they have been receiving through UPMC facilities and doctors or to pay significant amounts of money out of their own pockets for such care. It's time for the legislature and the Governor to be proactive and propose a sensible solution to this very real and pressing problem. My legislation would aid our constituents in the continuation of affordable access for their health care in the event these two parties cannot agree to the terms of a new contract.

So today, I ask you to join me in co-sponsoring a bill that addresses a very important, non-partisan issue that could affect three million subscribers in the western Pennsylvania region. If interested, please contact Stacia Longenecker at slongene@pahouse.net or 787-4437