

**August 1, 2012**

**TO: ALL MEMBERS OF THE HOUSE OF REPRESENTATIVES**

**FROM: REPRESENTATIVE DAN B. FRANKEL**

**SUBJECT: COSPONSORSHIP REQUEST – Requiring health insurance companies to spend a minimum amount of their premiums on health care for their subscribers**

In the very near future, I will be introducing legislation that will require health insurance companies to spend a minimum amount of their premiums on health care for their subscribers. My legislation will mirror the National Association of Insurance Commissioner's (NAIC) model law on the subject.

Under the federal Patient Protection and Affordable Care Act, health insurance subscribers are guaranteed that between 80 and 85 percent of their premiums will be spent on actual health care services – not administrative fees or company profit.

In the first year, Pennsylvanians with individual health policies will receive more than \$20 million in rebates, with 133,264 consumers receiving an average of \$238 dollars each. Almost 4,000 Pennsylvanians in the small group marketplace will share \$345,698 in rebates, and Pennsylvanians in the large group marketplace will receive \$30,565,319 back.

For a table listing all rebates provided by state, click below:

<http://www.healthcare.gov/law/resources/reports/mlr-rebates06212012a.html#indmarket>

Pennsylvania citizens deserve the consumer protections provided under the Affordable Care Act. My legislation will require state law to follow federal law, and ensure that our Insurance Commissioner is accountable to Pennsylvania laws on the subject.

If you'd like to sign on as a co-sponsor to this very important legislation, please email Carrie Goodyear by email ([cgoodyea@pahouse.net](mailto:cgoodyea@pahouse.net)) or phone (705-7019.)