



Pennsylvania  
MEDICAL SOCIETY®

*Doctors and Patients. Preserve the Relationship.®*



October 2, 2008

The Honorable Edward Rendell  
225 Main Capitol  
Harrisburg, PA 17120

The Honorable Edwin Erickson  
Senate of Pennsylvania  
281 Main Capitol Building  
Harrisburg, PA 17120

The Honorable Dominic Pileggi  
Senate of Pennsylvania  
350 Main Capitol Building  
Harrisburg, PA 17120

The Honorable Donald White  
Senate of Pennsylvania  
281 Main Capitol Building  
Harrisburg, PA 17120

Dear Governor Rendell, Senators Pileggi, Erickson, and White:

During the past year the Pennsylvania Medical Society and the Pennsylvania Orthopaedic Society have publicly endorsed the twin legislative goals of Mcare relief and improved access to care for our citizens who lack health insurance. We applaud you and all the members of the General Assembly for recognizing the urgency of these issues and giving them a high priority. Our organizations fully appreciate the difficulty involved in achieving a positive resolution of these complex problems, especially in today's challenging financial climate. Nevertheless, the effort is worthwhile, and we have been honored to work closely with you in that regard.

Unfortunately, as the 2007-2008 legislative session draws to a close, an agreement has not yet been reached. We urge you to continue your efforts to enact legislation providing Mcare relief and aid for the uninsured before the session ends. These measures are critical to our citizens who lack health insurance and to our efforts to recruit and retain physicians to treat them. Not achieving these goals would be especially frustrating given the sincere desire of the Administration and members of the General Assembly to enact meaningful health care reform.

Therefore, as organizations that have been involved in the discussions from the onset, we would like to offer a potential solution that we believe meets the goals of the parties and is fiscally sound. We hope that you will find the following a useful framework to facilitate the passage of these important reforms. As always, we stand ready to aid in your efforts.

### **Mcare Relief**

We believe that the Mcare relief proposal offered by the Administration known as “Model E1” largely incorporates the three essential components necessary to resolve this challenging issue:

- Phase-out of Mcare coverage in manageable increments
- Continuation of the abatement program through the phase-out period
- Protected funds dedicated to fully retire the unfunded liability

Importantly, the enactment of the Mcare phase-out plan contained in Model E1 would leave a significant source of existing sustainable funds that could be utilized to enroll the first wave of uninsured citizens in the program, with additional enrollments to follow as new sustainable revenue streams become available.

### **The Uninsured**

We believe that the Administration’s Model E1 proposal establishes a framework for extending health insurance coverage to more Pennsylvanians. The critical sticking points have been the question of obtaining federal funding for the program and the sustainability of some of the other funding sources relied on to pay for it. Given the cost of the program and the challenging financial climate we find ourselves in, these are not inconsiderable concerns.

We suggest that a potential solution is to enact the program but link enrollment to approved and sustainable revenue sources. This would allow the program to begin immediately and grow significantly in future years should a federal Medicaid waiver be achieved, new tobacco taxes (which we support) be enacted or other sustainable funds be located, *without the risk of program cutbacks should persons be enrolled with uncertain or non-sustainable funds.*

Attached to this letter are two additional suggestions that we believe will improve the legislation you jointly develop to accomplish all of our mutual goals. We submit these suggestions for your consideration with the knowledge that as elected officials you are the ultimate decision-makers on the final legislative language.

**Our organizations appreciate the long hours and hard work the Administration and General Assembly have put in on these issues, and we hope these suggestions will aid you in achieving our shared goal of access to quality health care for all Pennsylvanians. Please do not hesitate to let us know if we can aid you in your deliberations.**

Sincerely,



Peter S. Lund, MD, FACS  
President  
Pennsylvania Medical Society



Jon B. Tucker, MD  
President  
Pennsylvania Orthopaedic Society

cc: Honorable Members, Pennsylvania General Assembly  
Honorable Steven Crawford  
Director Rosemarie Greco

### **Mcare Relief Suggestions**

- Transfer from HCPRA to Mcare the full cost of the abatement and apply any year-end Mcare balance to reduce the assessment (and the abatement cost) for the next year.
- Increase the abatements for physicians and other professionals in years three and four of the phase-out of Mcare coverage to provide protection against their total costs exceeding the cost of obtaining \$1 million/\$3million of coverage in the private market.