

TO: All Members of the House of Representatives

FROM: Representative Eugene A. DePasquale

DATE: January 7, 2011

*SUBJECT: Re-introduction of Legislation
Allows Small Business to Pool Together to Purchase Group
Health Insurance (formerly HB 1062 of 2009- 2010)*

In the near future, I will be reintroducing legislation to permit small businesses to pool together for the purpose of buying group health insurance at reduced rates.

Small business lack the purchasing power of large employers when it comes to negotiating health insurance plans for their employees. As a result, they often are given little choice in plan coverage and are forced to accept steep insurance rates. Under current law, their only alternative is to join a business association or similar group, which was formed for purposes other than that of purchasing insurance, and pay dues for services they do not necessarily need or want in order to participate in a group insurance plan.

My legislation would address this by amending The Insurance Company Law of 1921 to permit small business to form groups for the sole purpose of negotiating health insurance plans. Under the provisions of this legislation, a small business would be defined as a company that employs 50 or less employees. The Pennsylvania Department of Insurance would be given the authority to establish group certification requirements and other necessary regulations to protect small business that join these groups

Previous co-sponsors of this legislation were:

BAKER, BARRAR, BELFANTI, BISHOP, BOBACK, BOYD, BRIGGS, BURNS, BUXTON, CALTAGIRONE, CARROLL, CLYMER, D. COSTA, DONATUCCI, EVERETT, FLECK, GEIST, GEORGE, GIBBONS, GILLESPIE, GOODMAN, GROVE, GRUCELA, HALUSKA, HARKINS, HARPER, HESS, HORNAMAN, HUTCHINSON, KAUFFMAN, KORTZ, KULA, LONGIETTI, MAHONEY, MANDERINO, MANN, MARSHALL, McCALL, McGEEHAN, MELIO, MILLER, MILNE, MOUL, MUNDY, MURPHY, MURT, MUSTIO, M. O'BRIEN, PALLONE, PASHINSKI, PAYNE, PAYTON, PETRARCA, PHILLIPS, READSHAW, REICHLEY, ROAE, SABATINA, SANTONI, SCAVELLO, SEIP, SIPTROTH, K. SMITH, M. SMITH, STABACK, STURLA, SWANGER, J. TAYLOR, R. TAYLOR, VULAKOVICH, WAGNER, WANSACZ, WHEATLEY, WHITE, YOUNGBLOOD AND YUDICHAK

If you would like to co-sponsor this legislation, please contact Cynthia Clory at 787-7514 of cClory@pahouse.net.