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**House of Representatives**  
Commonwealth of Pennsylvania  
Harrisburg

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**MEMORANDUM**

**TO: All House Members**

**FROM: Rep. Doug Reichley**

**SUBJECT: Co-Sponsor Memo: Disease Management Tax Credit  
(Prior HB 2487 & HB 2488)**

**DATE: February 1, 2011**

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As you all know, costs associated with quality health care have and continue to rise every year in the United States. The ever increasing price of health care can be attributed to a variety of factors, but inefficiencies and waste within the health care industry have been identified by many as an area of concern. In order to eliminate the aforementioned inefficiencies and waste, aspects of the health care industry such as disease management need to be thoroughly examined.

With this in mind, I will be re-introducing legislation in the near future designed to assist the citizens of Pennsylvania as it relates to health care costs. My legislation will amend the Tax Reform Code to provide for disease management insurance policy tax credits. If enacted, an employer who purchases and offers a disease management insurance policy to employees would be eligible to receive a tax credit of \$500 per employee. Further, an employer, with 50 or more employees, who purchases and offers a disease management insurance policy to employees, is eligible to receive a tax credit equal to 50% of the cost for providing health care coverage for employees.

Another major issue regarding health care costs is how they impact small businesses. To address this issue, my legislation will provide for the allocation of 40% of the available funds authorized in this fund for small businesses across Pennsylvania.

In conjunction with the disease management insurance policy tax credit legislation I described above, I will also be introducing legislation which will transfer \$20 million from the Budget Stabilization Reserve Fund to a new fund which would be known as the Disease Management Tax Credit Fund.

Please join me in providing disease management tax credits to qualified employers. If you wish to co-sponsor this legislation, please contact my Harrisburg assistant Kendra Wiederhold at 787-1000 or [kwiederh@pahousegop.com](mailto:kwiederh@pahousegop.com).