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TO: All Senators

DATE: March 18, 2011

FROM: Senator Michael J. Stack **MJS**

SUBJECT: Co-Sponsorship

In the near future, I will introduce legislation that Pennsylvania will need to fully implement the federal health care reform law. The legislation will create the Commonwealth's health insurance exchange and put Pennsylvania consumers in a position to purchase health insurance through the exchange beginning January 1, 2014.

The legislation will create the American Health Benefit Exchange Act and is based on the National Association of Insurance Commissioners' (NAIC) analysis of the federal law and the model act they developed based on their analysis of federal law. The legislation creates an authority which will have responsibility to develop the actual exchanges, and will work with the Insurance Department to do so. The authority will not regulate the insurance industry, but will facilitate access to information that will empower consumers to select coverage that best suits their needs.

All states must notify the U.S. Secretary of Health and Human Services that their state will create an exchange by December 31, 2012, and the exchange must be prepared to accept consumers by July 1, 2013. The federal government will step in and create an exchange in the event that states fail to act - thus reducing the sovereignty of the Commonwealth - absent the passage of my bill. Use of the NAIC model act will help promote uniformity and consistency among Pennsylvania and other states.

If you have any questions, would like to review a copy of the draft legislation or would like to co-sponsor the bill, please call my office at 7-9608 or email Cheryl Schill at cshill@pasenate.com