



AUG 10 2011

Senate of Pennsylvania

MEMORANDUM

TO: ALL SENATORS

FROM: SENATOR CHARLES T. McILHINNEY, JR.

A handwritten signature in black ink that reads "Charles T. McIlhinney, Jr." with a stylized flourish at the end.

DATE: August 10, 2011

RE: **Co-Sponsorship Memo #25 – Fairness in Copayment Act**

In the near future I will be introducing legislation that will protect consumers by prohibiting plans from inappropriately shifting the cost of medical care to the consumer by limiting co-payments to no more than 30 percent of the total reimbursement to the provider of care. Under existing law, coverage exists for certain types of services. Despite these requirements health plans have shifted the vast majority of the cost by imposing increasingly high co-payments on consumers. In some circumstances, copayments have exceeded the reimbursement paid by the plan to the provider of care.

This cost shift has imposed a financial burden on consumers, and it has restricted access to certain services. Consumers frequently cannot afford the cost imposed by these copayments for medically necessary care.

This bill would reestablish the obligation of health plans to cover the expense of medical services by limiting co-payments to no more than 30 percent of the total reimbursement to the provider of care. The 30 percent limitation will allow plans to require co-payments that discourage inappropriate care but will prohibit plans from inappropriately shifting the cost of physical therapy care to consumers.

If you would like to co-sponsor this legislation please call my office at 7-7305 or email Gail Reinard at greinard@pasen.gov.