



Senate of Pennsylvania

Senator Jim Ferlo

38th Senatorial District

MEMO

Date: *August 31, 2011*
To: *All Senators*
From: *Senator Ferlo*
Subject: *Family and Business Health Care Security Act of 2011*

In the near future I plan on re-introducing SB 400 from the last session.

For the past five years a grass roots and nonpartisan group called the Healthcare 4 All PA, consisting of health professionals and business people from across the Commonwealth has taken the initiative and has drafted health care reform legislation specific to Pennsylvania. Their proposal has received support across the Commonwealth as evidence by the unanimous resolutions of the City Councils of Philadelphia, Pittsburgh, and Erie. It has also received the enthusiastic endorsement of the Harrisburg Patriot-News in an extensive editorial entitled "Bold Option" that included the following comment:

This is a plan that has the potential to solve many issues that derive from the existing system's massive flaws, including bringing runaway costs under control. - October 19, 2005

This proposal importantly preserves patient choice and privacy. Patients will continue to pick their own doctors and hospitals, but will be covered by a health care trust fund.

This Office is honored to take the lead in moving this plan from grass roots initiative to proposed legislation.

Called the Pennsylvania Family and Business Health Care Security Act of 2011, the bill carefully and thoroughly sets out a blueprint for the bold steps necessary to

accomplish all of the following goals:

- Quality medical, dental and mental health care for every Pennsylvanian.
- Establishment of an efficient Health Care Trust owned and controlled by the people of Pennsylvania as the single payer for health care services thus eliminating the existing wasteful and inefficient system of multiple third party payers.
- Relieving employers from the responsibility of selecting, pricing, and administering health insurance.
- Elimination of all traditional health insurance premiums, co-pays and deductibles.
- Support for active volunteer firefighters and emergency responders through a \$1,000 per year tax rebate.
- Full funding of prescription drugs while leveraging the buying power of 12 million Pennsylvanians to lower the cost.
- Fully funding educational initiatives to establish a culture of wellness among our citizens designed to shrink the need for health care and thus reduce the expense while preserving full access.
- Support for the swift transition to a secure electronic medical record system to reduce costs and errors.
- Full funding for substance abuse treatment.
- A centralized data collection and analysis approach that will identify physicians and hospitals with patterns of preventable errors leading to prompt remedial action designed to eliminate future occurrences.
- Preservation of the private practice of medicine and the right of the patient to choose their doctor and hospital.
- Re-establishment of the certificate of need process to prevent wasteful over-capacity while at the same time encouraging the establishment of state of the art facilities where they are needed but not currently available.
- Assuring that every Pennsylvanian in need of long term care can qualify for assistance without having to spend themselves into poverty.
- Sparing Pennsylvanians forever the humiliation of personal bankruptcy due to family health care expenses.

This plan does not propose to replace Medicare, so the costliest cases will

continue to be covered federally although Pennsylvania would pick up all of the health costs for the elderly and disabled that are not covered by Medicare.

Total annual costs are estimated by the Pennsylvania HealthCare Solutions Coalition at approximately \$43 billion. Per the proposed legislation, primary funding would come from a dedicated 10% employer tax paid on payrolls and a 3% personal income tax. These revenues, added to existing streams from Pennsylvania's share of Medicaid funding, tobacco settlement funds, cigarette taxes, lottery, and interest earned on Health Care Trust funds would total approximately \$46 billion. Only those expenditures currently going toward current health care related expenses in the tobacco and lottery funds will be used for this plan, so rent rebate for instance will not see any money lost.

I invite all Members to co-sponsor this important initiative. Please contact Anne Laird Huber in my office at 7-6123 or alairdhuber@pasenate.com.