

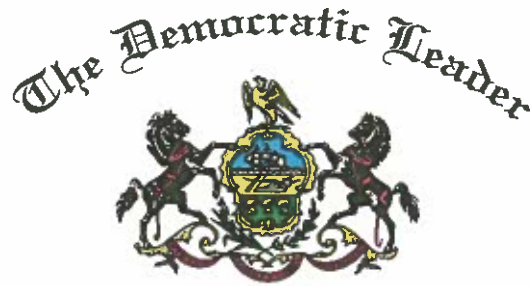
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Senate of Pennsylvania

COMMITTEES

**RULES AND EXECUTIVE NOMINATIONS,
MINORITY CHAIRMAN**

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TO: All Senators

FROM: Senator Jay Costa

DATE: October 27, 2011

SUBJECT: Introduction of legislation
Re: Notice of expiration of hospitalization contracts by insurers

In the very near future, I plan to introduce legislation to address the ongoing contract stalemate between Highmark and the University of Pittsburgh Medical Center (UPMC).

This legislation requires an insurer that has entered into a contract with a hospital providing for the rendering of hospitalization to its subscribers to give the Department of Insurance at least 90 days advanced written notice of the expiration date provided for in the contract. Under current law, 90 day notice is only required in cases of termination of contracts.

The bill also stipulates that should the Insurance Commissioner decide it is not in the best interest of consumers to allow the contract to expire, then the contract would remain in effect for a term equal to the initial or any subsequent renewal term, whichever is longer.

Providing meaningful health care choices and accessibility to quality health care at an affordable price to the residents of this Commonwealth is essential for the maintenance of their health. We must work to ensure continued access to adequate hospitalization and related health benefits.

I hope you will join me in co-sponsoring this legislation by contacting Anne Griffin in my Harrisburg office at 787-7683 or e-mailing her at agriffin@pasenate.com.

Thank you for your attention to this matter.