

January 7, 2010

Honorable Jim Gerlach, M.C.
House Office Building
Washington, DC 20515

Dear Representative:

I am writing you on behalf of the PA Association of Health Underwriters (PAHU) representing insurance brokers who specialize in health insurance and employee benefits to request that you ask your Caucus Leadership to press for a formal conference committee resolve differences between the House and Senate versions of health care legislation.

As you know, HR 3962 and HR 3590 have significant differences in key areas such as abortion, public option, and continuance of the CHIP program. PAHU believes that the resolution of these differences should not come under the cloud of suspicion from a closed process. A closed process gives the impression that Members' input is irrelevant in probable acquiescence by the House Leadership to the Senate bill behind closed doors.

In addition, there is an additional issue that needs public scrutiny. Pennsylvania is currently undergoing its worst series of Budget crises since at least 1991. Pension obligations and infrastructure needs are but two of the added Budget demands the Commonwealth will have to fund at a critical time with tax revenues down and the Stimulus monies going away after next year. Contained within HR 3962 and HR 3590 are provisions to expand Medicaid eligibility to 133% and 150% of the Federal Poverty Level respectively. According to the Urban Institute, this means an increase of eligible persons by 25 percent (PA already has over 12 percent of its adult population on Medicaid according to the Kaiser Family Foundation.) and an increase in the state required match (per the NCSL) of at least 2.2 billion dollars over a five-year period after the Federal initial subsidy of the state match is gone. Frankly, Pennsylvania cannot afford this unfunded Federal mandate and PAHU asks that you take note of this fiscal reality which collides with the desired goal of covering more uninsured by the public sector. Plainly put, PA taxpayers simply cannot afford that expansion.

Thank you for reviewing our concerns.

Sincerely,

Vince Phillips
PA Lobbyist