



June 8, 2009

Honorable Donald C. White  
Chairman, Senate Banking and Insurance Committee  
286 Main Capitol Building  
Harrisburg, PA 17120-3041

Dear Senator White:

As the state's largest broad-based business advocacy association, representing thousands of Pennsylvania employers- from Fortune 100 companies to sole proprietors - the Pennsylvania Chamber of Business and Industry opposes Senate Bill 616. This legislation is scheduled to be the subject of a public hearing of the Senate Banking and Insurance Committee on Tuesday, June 9, 2009. Senate Bill 616 would amend the Unfair Insurance Practices Act to deem it a violation of state law if a health insurer should require policyholders to obtain prescription drugs from a mail order pharmacy service. The bill would further eliminate a health insurer's ability to establish and maintain a pharmacy network by allowing members to access prescribed drugs from any venue. The bill also prohibits health insurers from establishing cost saving incentives for members to use network providers or mail order services for obtaining prescription drugs.

The Chamber supports a health care system in the Commonwealth which provides necessary, appropriate, accessible and effective health care to employers and employees at a reasonable cost. However, rapidly rising health care costs interfere with the ability of the business community to maintain existing jobs and to create new jobs. These increases are attributable to a number of cost drivers, including, but not limited to, prescription drug costs.

To that end, employers and employees need not only the flexibility to select a health plan and/or provider that provides the level of coverage and providers they want but also the ability to purchase the least costly prescription drugs. Senate Bill 616 will only benefit one interest group at the expense of those who pay the premiums for prescription benefits. Additionally, this bill would deny individuals and businesses the ability to purchase the coverage that best meets their needs and financial resources.

In short, we believe that Senate Bill 616 in this current climate of increasing health care costs and health insurance premiums is not only ill timed but imprudent.

Sincerely,

Samuel Denisco  
Director, Government Affairs

