

ANTHONY M. DeLUCA, MEMBER

115 IRVIS OFFICE BUILDING
P.O. BOX 202032
HARRISBURG, PENNSYLVANIA 17120-2032
PHONE: (717) 783-1011
FAX: (717) 772-9937

7205 SALTSBURG ROAD
PITTSBURGH, PENNSYLVANIA 15235
PHONE: (412) 793-2448
FAX: (412) 793-7495



House of Representatives
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December 1, 2010

Honorable Tom Corbett
Governor-elect
200 North Third Street
13th Floor
Harrisburg, PA 17101

Dear Governor-elect Corbett:

As Chairman of the House Insurance Committee, I believe it is incumbent on me to inform you of a critical issue you will face shortly after you take office. Specifically, some 40,000 Pennsylvanians currently insured under the Commonwealth's adultBasic program will lose their coverage absent swift action to locate a source of funding.

In large part, adultBasic has been funded over the last several years by the Community Health Reinvestment Agreement – an agreement between the Rendell Administration and the four Blues plans doing business in this state. Under the agreement, the Blues Plans agreed to provide revenues that would be used to provide funding for health insurance for qualifying low income individuals. The Community Health Reinvestment Agreement will end on December 31 of this year and when it ends, there will be a substantial lack of funds to continue coverage for the adultBasic program.

I am informed that the Blues plans have agreed to contribute another \$51 million to the program, and I applaud their continuing this commitment over the short term. Unfortunately, the \$51 million will only provide sufficient revenue for adultBasic until the end of February 2011. With the end of funding, currently covered individuals will be prevented from seeking necessary medical care. Moreover, an increase in the uninsured population in the Commonwealth will further strain existing resources as more Pennsylvanians seek their medical care through hospital emergency rooms.

I am a strong advocate for identifying a stable funding source for the adultBasic program since it provides a substantial benefit to thousands of needy citizens. Unless a funding source is found, I believe it is the responsibility of your Administration to timely notify current program

members of the impending elimination of their health insurance coverage. The notice will provide those individuals with the opportunity to find, if possible, replacement coverage.

Thank you for your attention to this matter. I look forward to working with you and your Administration on the important issues of the day.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony DeLuca".

Tony DeLuca
Chairman
House Insurance Committee

Cc: Honorable Frank Dermody
Honorable Mike Hanna
Honorable Joe Markosek