



Medical Care Availability and Reduction of Error Fund

PENNSYLVANIA INSURANCE DEPARTMENT


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DATE: December 21, 2007

RE: IMPORTANT ANNOUNCEMENT
Billing and Remittance of 2008 Mcare Assessment

TO: Chief Executive Officer/President
Licensed or Approved Property and Casualty Companies

FROM: Joel Ario 
Acting Insurance Commissioner

This week, the Governor sent a letter to the state's doctors, explaining why he supports continuation of the Mcare abatement program for another ten years as part of a broader health reform package that also includes funding for his Cover All Pennsylvanians (CAP) program designed to provide affordable health insurance to the uninsured and to low wage employees of small businesses. Unfortunately, the General Assembly recently adjourned without enacting a health reform package or any other extension of the Mcare abatement. The Governor intends to redouble his efforts in 2008 to pass legislation that will reinstate the Mcare abatements and provide more affordable health insurance, but the reality is that we start the year with neither initiative enacted into law. In this context, the Governor has directed me to instruct insurers to move forward with billing assessments without abatements, with the proviso that the due date be extended to March 31, 2008 for bills that normally would be due earlier.

Accordingly, any unbilled Mcare assessments associated with primary policies with January 2008 effective or renewal dates should be billed within 30 days of this notice with a March 31, 2008 due date to the billing party. In order to assure the availability of funds to pay claims and operating expenses, all assessment payments must be remitted to the Mcare Fund within 30 days of receipt by the billing party.

Any unbilled Mcare assessments associated with primary policies with February or March 2008 effective or renewal dates should be billed so that payment of the assessment is due to the billing party by the later of March 31, 2008 or 60 days after the effective or renewal dates of the primary policies. In order to assure the availability of funds to pay claims and operating expenses, all assessment payments must be remitted to the Mcare Fund within 30 days of receipt by the billing party.

Any Mcare assessments associated with primary policies with April 2008 or later effective or renewal dates should be billed and remitted to the Mcare Fund under standard procedures.

Please contact Peter Adams, Deputy Insurance Commissioner for the Mcare Fund, should you have any questions. His e-mail address is padams@state.pa.us and his telephone number is (717) 783-3770, extension 205.

Thank you for your cooperation and assistance.