

2008 MCARE ABATEMENT MODEL LETTER FOR PA GENERAL ASSEMBLY

Dear Senator/Representative:

Thank you for all of your work over the past six years in enacting legislation to tame Pennsylvania's hostile medical liability environment. Act 13 and the other reforms since 2002 have helped me defend and avoid medical liability lawsuits. I have been able to focus more of my time and resources on direct patient care and I sincerely thank you for your efforts.

Of all the programs enacted during this time period, however, the Mcare Abatement Program has been the most important to me. As you know, I face many challenges in Pennsylvania. Reimbursement rates are lower than most other states and our medical liability costs are much higher. In fact, the immediate premium relief provided by the Mcare Abatement Program is a main reason I can continue my practice in Pennsylvania.

This vital program has assisted me in paying well over \$150,000 in premium costs. Unfortunately, the Mcare Abatement Program was not renewed last December and the assessment deferment expired on March 31, 2008. In fact, I have already paid the 2008 assessment to my insurance company. I understand this program will not last forever, but I certainly anticipated it would be renewed this year.

In addition, I understand that under current law the Mcare Fund is scheduled to be closed to new claims by January of 2013. To accomplish this, I understand that my primary level of medical liability insurance is scheduled to increase by \$250,000 in 2010 and another \$250,000 in 2012. Each \$250,000 will result in at least a 25% increase in my medical liability insurance costs. I further understand that under current law, the Mcare Fund will be retired by continued assessments on me and my colleagues well beyond 2013. This scenario will have a drastic, negative impact on my practice. If I am required to retire the Mcare Fund and I have no Mcare abatement, I may not be able to continue to practice in Pennsylvania.

I understand several legislative vehicles are before the General Assembly. I am writing to help you understand that renewing the Mcare Abatement Program, phasing out the Mcare Program over a reasonable timeframe and retiring the Mcare Fund through state resources is vital to me.

During the nine day session scheduled to begin on September 15th, I implore you to prevail upon your legislative leadership to deal with these extremely important issues. At a minimum, whatever bill is eventually sent to Governor Rendell should include provisions to renew the Mcare Abatement Program for ten years, phase out the Mcare Program over a ten year period and retire the Mcare Fund through existing Mcare revenues.

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Finally, I understand that Governor Rendell has advanced a proposal that would provide healthcare insurance to approximately 272,000 uninsured Pennsylvanians by the fifth year of operation. As you know, a debate ensued throughout the spring and summer regarding the creation of a new, entitlement program.

One thing is clear, however. Generally speaking, uninsured patients lack access to basic medical services forcing them to seek necessary treatment in inappropriate settings. The physicians and hospitals who provide that care receive little or no compensation for those services. A program which provides patients with access to basic medical services and adequately compensates providers for care is a reasonable solution which benefits patients and providers.

Thank you for your consideration of my views. I urge you to work toward a resolution of these issues. I further request that you contact your legislative leaders, express my concerns to them, and urge them to find a compromise on these issues before the end of the fall session.

Sincerely,