



PRESS RELEASE

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Fiscal stability questioned under latest health-care plan

HARRISBURG, PA – The **Pennsylvania Chamber of Business and Industry** today said that while it is still reviewing details of a health-care plan passed this week by the state House of Representatives, real questions exist about the long-term fiscal stability of the proposed program.

PA Chamber Vice President Gene Barr said the business community is still digesting the plan unveiled this week by House Democrats, which would expand AdultBasic by providing coverage to uninsured Pennsylvanians earning up to 200 percent of the federal poverty level. However, like the governor's health-care plan before it, the latest proposal doesn't focus enough attention on controlling health-care costs, and underestimates the cost of the program, which would be better than most private insurance plans. Barr said that fact alone would exacerbate "crowd out" concerns of employers dropping coverage and encouraging employees to sign up for the state insurance program.

"We believe there are genuine concerns about the future fiscal viability of this latest health-care plan, which relies on unsustainable revenue sources and would guarantee coverage for two of the most costly coverage mandates – behavioral health services and prescription drugs," Barr said.

The PA Chamber also expressed disappointment that lawmakers rejected an amendment that would have enabled small employers to offer a basic benefits package to employees, but welcomed the plan's rejection of the ill-advised health-care payroll tax strongly opposed by the business community.

The chamber also cautioned lawmakers that Pennsylvania cannot effectively address its health insurance concerns without also taking significant steps to reduce health-care costs.

"If policymakers fail to adequately address the cost drivers of health care, it makes little difference what health insurance plan is ultimately passed," Barr said. "Down the road, more and more businesses will struggle to provide health care to employees and lawmakers will be forced back to the drawing board to find new ways to pay for providing coverage for the uninsured."

The PA Chamber continues to support solutions that will enable greater competition among private health-care providers; focus on consumer-driven health care; and control the cost-drivers of health care, including mandated benefits and lawsuit abuse.

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The Pennsylvania Chamber of Business and Industry is the state's largest broad-based business association, serving more than 24,000 members and customers statewide. More information is available on the PA Chamber's website at www.pachamber.org.