



## Testimony

Submitted on behalf of the  
Pennsylvania Chamber of Business and Industry

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### **Public Hearing on Senate Bill 594**

Before the:

### **Senate Banking and Insurance Committee**

Presented by:

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Harrisburg, PA  
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On behalf of the Pennsylvania Chamber of Business and Industry's thousands of members throughout the state, thank you for the opportunity to express our concerns regarding Senate Bill 594. My name is Sam Denisco and I'm the vice president of government affairs for the PA Chamber.

The PA Chamber of Business and Industry is the Commonwealth's largest broad-based business advocacy organization. Our membership consists of businesses of all sizes and across all industry sectors and represents nearly 50 percent of the private workforce.

Additionally, the PA Chamber operates an insurance subsidiary; Pennsylvania Chamber Insurance, Inc. PA Chamber Insurance has specialized in employee benefits consulting to businesses of all sizes across Pennsylvania for more than two decades.

The emphasis of the PA Chamber Insurance programs is to assist business owners in managing a comprehensive employee benefits package while controlling health care costs and retaining valuable employees. PA Chamber Insurance partners with many carriers in Pennsylvania, allowing for a unique array of products and services to help customers explore alternatives in both plan design and pricing structure to meet their business and financial needs.

The PA Chamber has serious concerns with the impact that limiting cost sharing tools, such as copayments and coinsurance, will have on Pennsylvania's job creators. Cost sharing tools are utilized in order to allow patients to become more involved in their health care decisions and encourage them to manage their health care needs through primary care providers, thereby avoiding unnecessary and expensive self-referrals to specialists, which can increase rates for health care coverage. While the amendment that was adopted by the Committee no longer puts limits on the amounts charged for copays and coinsurance, it does allow the PA Insurance Department, rather than the market, to determine whether cost sharing measures are reasonable or provide a barrier to care.

Placing more burdensome regulations on cost sharing tools, such as copayments and coinsurance, can lead to increased premiums and other cost shifting for

Pennsylvania's employers and consumers. According to some of our health insurance company members, limiting copayments could lead to a growth in premiums by anywhere from 3.5 to 17 percent – increased costs that will be shouldered by employers and other policyholders.

The PA Chamber appreciates the Committee's willingness to work with the health insurance industry and purchasers. We believe that allowing the market to determine what is reasonable is best for health care costs overall. Additionally, we are not aware of any data that has shown a barrier to care due to cost sharing measures, such as copayments.

Pennsylvania employers and consumers have already invested enormous amounts of resources on the implementation of and compliance with the Affordable Care Act. Additional costs that could be incurred due to stricter regulation of copays and coinsurance may result in a negative impact on health coverage offered by employers and could lead to a loss in jobs.

We urge you to consider the negative impact this legislation will have on Pennsylvania's job creators and consumers and we look forward to working with Chairman White and the committee to address this issue. Thank you again for the opportunity to express the PA Chamber's concerns with S.B. 594. At this time, I'd be happy to take any questions you may have.