



OFFICE OF THE GOVERNOR  
COMMONWEALTH OF PENNSYLVANIA

---

Governor's Press Office ♦ Room 308, Main Capitol Building ♦ Harrisburg, PA 17120  
www.governor.state.pa.us ♦ 717-783-1116 (Phone) ♦ 717-772-8462 (Fax)

---

*EDWARD G. RENDELL, Governor*

**FOR IMMEDIATE RELEASE:**

Jan. 17, 2007

**CONTACT:**

Kate Philips  
717-783-1116

Amy Kelchner, GOHCR  
717-346-8379

**GOVERNOR RENDELL UNVEILS HISTORIC  
“PRESCRIPTION FOR PENNSYLVANIA” TO PROVIDE  
ACCESS TO AFFORDABLE, QUALITY HEALTH CARE FOR  
ALL PENNSYLVANIANS**

*‘COVER ALL PENNSYLVANIANS’ WILL INSURE SMALL BUSINESS AND THE UNINSURED*

**HARRISBURG** – Building on his successful initiatives to expand access to health care including Cover All Kids and PACE/PACENET, Governor Edward G. Rendell today offered a sweeping and bold “Prescription for Pennsylvania” to increase access to affordable health care coverage for all Pennsylvanians, improve the quality of care available in the state and bring health care costs under control for employers and employees.

“We can no longer stand by while health care costs spiral out of control, leaving some 767,000 adult Pennsylvanians without the basic health care they need and creating a drag on our economy,” Governor Rendell said. “It is no longer a question of whether we can afford to act – the cost of inaction is far greater; both in terms of individual health consequences and from the increasing burden on taxpayers.

“Every year, Pennsylvania businesses, consumers and taxpayers pay at least \$7.6 billion for unnecessary and avoidable health care costs. That is money that isn’t improving the quality of care we receive, nor making Pennsylvanians healthier. It doesn’t make sense. We should be redirecting that money to fix our broken health care system.”

Included in the \$7.6 billion is more than \$6.2 billion for health care services which could be avoided, including: additional hospital days due to potentially avoidable hospital acquired infections; hospitalizations which could have been avoided with better care for patients with chronic diseases such as diabetes and asthma; and additional days of hospital care due to readmissions for

complications and infections, and for certain medical errors.

Pennsylvanians pay another \$1.4 billion to help cover the costs of treating people who are uninsured and underinsured.

“It is a tremendous deterrent for businesses that are considering locating in Pennsylvania to know that in addition to paying for their own employees’ health coverage, they will be subsidizing the costs of the uninsured,” the Governor said. “I have no doubt that most business owners, no matter what their size, would like to offer coverage to their employees, but they can’t because it’s just too expensive. This Prescription for Pennsylvania will make it easier for businesses to offer coverage for their employees by reducing costs.”

### **Cover All Pennsylvanians**

To improve access to health care by lowering costs, Governor Rendell’s proposal calls for the creation of Cover All Pennsylvanians (CAP), a program which will offer affordable basic health coverage to small businesses and the uninsured through the private insurance market.

“Cover All Pennsylvanians focuses urgent help where it is needed the most – on small businesses and on the uninsured,” Governor Rendell said. “The majority of uninsured adults in Pennsylvania are employed, and most of the uninsured workers hold full-time jobs. By bringing down the cost of coverage, we can make it easier for businesses and employees to obtain desperately needed health coverage.”

Businesses may participate in CAP if they have not offered health care for their employees in the past six months, if they have fewer than 50 employees and if, on average, those employees earn less than the state average annual wage (approximately \$39,000). Businesses that choose to join the program will pay approximately \$130 per employee per month, and their employees will pay on a sliding scale, ranging from \$10 to \$70, depending on income.

Governor Rendell said all uninsured Pennsylvanians – no matter what size their employer – will be able to purchase affordable health insurance through CAP. Every uninsured adult who earns more than 300% of the federal poverty level can participate in CAP by paying the full cost of the premium, which will be approximately \$280 per month.

Uninsured adults who earn less than 300 percent of the federal poverty level and employees of small businesses whose average wages are lower than the Pennsylvania average, will get help paying CAP premiums through discounts and subsidies. For example, a family of four who earns up to \$60,000 a year will be eligible for assistance.

The Governor said he plans to phase in a mandate requiring health insurance for those with incomes more than 300 percent of the federal poverty level (\$60,000 for a family of four) and require that full-time four-year college students and graduate students have insurance coverage. He said if more people are covered, it will drive down health care costs for everyone.

He also said that there would be a fair share assessment on all companies that do not insure their employees. That assessment would be used to help pay for the cost of the CAP program. In the first

year of the assessment, employers with fewer than 50 employees would be exempt.

## **Access**

To further enhance access to health care, the Prescription for Pennsylvania will enable nurses, advanced nurse practitioners, midwives, physician assistants, pharmacists, dental hygienists and other licensed health care providers to practice to the fullest extent of their training and skills.

It also promotes incentives for health care providers who offer services in the evenings and on weekends, which will help to discourage consumers from seeking emergency room treatment for routine medical concerns.

“Because Pennsylvanians are statistically more likely than the average American to go to the emergency room – which is often the most expensive setting in which to receive treatment,” Governor Rendell said. “My plan will promote non-emergency settings for non-emergency care.”

## **Quality**

To improve the quality of health care, the Prescription for Pennsylvania calls for significant reforms that will increase the accountability of everyone in the health care system: consumers, hospitals and other care providers. The initiative will focus on improving patient safety by eliminating hospital-acquired infections and targeting avoidable medical errors.

Pennsylvania will also promote the use of a successful nationally proven model that manages treatment for chronic conditions such as heart and lung disease, diabetes and asthma. Even though 75 percent of health care costs can be traced to the 25 percent of patients with chronic disease, these Pennsylvanians received only 56 percent of the care they need.

The Prescription for Pennsylvania includes more effective regulation of the insurance industry to protect small businesses and individuals from extraordinary spikes in health care premiums. It will implement adjusted community rating, which prohibits using certain demographic characteristics such as health status and gender in rate setting.

The Plan also updates decades-old hospital regulations to require state of the art patient safety and electronic health records, initiatives that will improve the quality of care patients receive and, in turn, drive down costs.

In addition, Governor Rendell’s plan promotes a common-sense payment system that rewards wellness and stops paying for unnecessary or ineffective medical services. And to help all Pennsylvanians stay healthy, the plan includes consumer incentives that reward healthy lifestyles.

“The health care costs related to tobacco use and adult obesity in Pennsylvania totaled more than \$9 billion, an enormous economic burden,” the Governor said. “Second-hand smoke is responsible for the death of as many as 3,000 Pennsylvania nonsmokers every year. That is why Prescription for Pennsylvania will make all Pennsylvania workplaces, restaurants and bars smoke free.”

“Government alone cannot – and should not – attempt to solve every problem facing our state’s

health care system; it will require a broad and bipartisan partnership,” Governor Rendell said. “If we fail to act, simply maintaining the status quo will needlessly cost billions of dollars and countless lives.”

Specific components of Governor Rendell’s initiative will require legislative and federal approvals. If the necessary approvals are timely, the CAP program is expected to begin operating in January 2008. The financial aspects of the plan will be further detailed when Governor Rendell announces his budget plan for the 2007-08 state fiscal year in early February.

For more information on Governor Rendell’s Prescription for Pennsylvania and the proposed Cover All Pennsylvanians program, visit [www.gohcr.state.pa.us](http://www.gohcr.state.pa.us).

###

*The Rendell Administration is committed to creating a first-rate public education system, protecting our most vulnerable citizens and continuing economic investment to support our communities and businesses. To find out more about Governor Rendell's initiatives and to sign up for his weekly newsletter, visit his Web site at: [www.governor.state.pa.us](http://www.governor.state.pa.us).*