

GUY A. TRAVAGLIO, MEMBER
HOUSE BOX 202020
HARRISBURG, PENNSYLVANIA 17120-2020
PHONE: (717) 787-7686
FAX: (717) 783-3554

DISTRICT OFFICE:
138 EAST JEFFERSON STREET
BUTLER, PENNSYLVANIA 16001
PHONE: (724) 283-5852
FAX: (724) 284-8253



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES:
LOCAL GOVERNMENT, SUB-COMMITTEE
CHAIR ON TOWNSHIPS
TOURISM AND RECREATIONAL DEVELOPMENT
POLICY
SOUTHWEST CAUCUS
NORTHWEST CAUCUS
VETERANS AFFAIRS

MEMORANDUM

SUBJECT: Proposed Legislation
- Coverage for lumpectomy reconstruction

February 28, 2001

TO: All House Members

FROM: Representative Guy A. Travaglio, Jr. *GAT*
11th Legislative District

In the near future, I will be re-introducing legislation, which would amend the Insurance Company Law of 1921 to provide coverage for lumpectomy reconstruction. (Previously HB 721)

If you would like to cosponsor this legislation, please contact my office via e-mail to: jgarofal@pahouse.net or call my office at 7-7686.

GAT:fv:jg

212 Locust Street . Suite 600
Harrisburg, Pa 17101-1527



tel. 717/234-8525 . fax 717/234-8812
e-mail rjg@ghgovlaw.com

G M E R E K & H A Y D E N

November 13, 2001

The Honorable Guy A. Travaglio
PA House of Representatives
P.O. Box 202020
Room 4, East Wing
Harrisburg, PA 17120-2020

Dear Representative Travaglio:

Our firm represents AFLAC. I am writing to you on its behalf regarding House Bill 1225, P.N. 1416 (Lumpectomy Reconstruction), which is currently in the House Insurance Committee.

As you may know, AFLAC sells individual, guaranteed renewable health insurance policies which provide supplemental benefits in the event of serious illness or hospitalization. Unlike comprehensive, major medical or basic health insurance coverage, these supplemental policies provide limited benefits at a commensurately low premium. The benefits are payable in addition to and regardless of other coverage that the insured may have. AFLAC currently has 283,761 active policies in Pennsylvania.

The above bill would require that insurers cover certain mandated benefits. AFLAC is not opposed to the mandate in general, however, it believes that the mandate should not apply to the types of policies it provides.

The role of supplemental insurance benefits is to pay direct cash benefits to the insured to fill the gaps between what is covered by comprehensive insurance and the total financial impact of an illness or injury. They are not intended to be, nor are they marketed to be, substitutes for comprehensive health insurance.

Attaching the above mandate to AFLAC's policies would fundamentally change the nature as well as the cost of the policies. The cost of providing the additional benefits would disproportionately increase the cost of the policy in relation to the other supplemental benefits it provides. Additionally, because the

The Honorable Guy A. Travaglio
November 13, 2001
Page Two

policies are supplements to, rather than substitutes for, comprehensive health insurance, if benefits were mandated for AFLAC's types of health insurance policies, insureds would have a duplication of benefits as well as a duplication of premiums with no additional benefit. Such premium increases will unnecessarily jeopardize the viability of low-premium, supplemental policies in Pennsylvania.

For these reasons, we plan to pursue the amending of this bill if it moves and would appreciate your support. A copy of the amendment is attached.

Thank you for your consideration. Please contact me if you have any questions.

Sincerely,

GMEREK & HAYDEN, P.C.



RICHARD J. GMEREK

:wjb
Enclosure
cc: Representative Nicholas A. Micozzie, Chairman
Representative Tony DeLuca
aflac/travaglioltr.doc