

TIM HENNESSEY, MEMBER

160 EAST WING, CAPITOL
HOUSE BOX 202020
HARRISBURG, PA 17120-2020
PHONE (717) 787-3431
FAX (717) 787-0860

ONE CITY HALL PLACE
COATESVILLE, PA 19320
PHONE (610) 380-8600
FAX (610) 380-1777

OLDELVERSON TRAIN STATION
P.O. BOX 255
ELVERSON, PA 19520
PHONE (610) 286-9194

(610) 326-2626 POTTSTOWN



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

September 30, 1998

COMMITTEES

INTERGOVERNMENTAL AFFAIRS
JUDICIARY
LOCAL GOVERNMENT
CHAIRMAN, SUBCOMMITTEE ON
TOWNSHIPS
MAJORITY POLICY
SUBCOMMITTEE ON
WORKFORCE DEVELOPMENT
URBAN AFFAIRS
SUBCOMMITTEE ON THIRD CLASS
CITIES & COUNTIES

CAUCUSES

FIREFIGHTERS' & EMERGENCY
SERVICES
IRISH CAUCUS
LOCAL TAX REFORM
PENN STATE FORUM
SOLID WASTE AD HOC
THIRD CLASS CITIES

*Mr. Robert E. Nyce, Executive Director
Independent Regulation Review Commission
14th Floor, Harristown 2
333 Market Street
Harrisburg, PA 17101*

Dear Bob:

With the passage of HMO reforms in Act 68 this past June, we'll soon need to busy ourselves with the crafting of regulations to implement this law, scheduled to go into effect in January, 1999.

One of the areas of great anticipation to doctors and hospitals is the requirement that their bills be paid within 45 days. Of concern, however, is the latitude granted to HMOs where the bill is in some way considered as "contested". Already today, HMOs are apparently withholding payment of substantial bills by contesting very small items or insignificant portions of the bill. Payment of a bill for \$12,000, for example, might be delayed over an individual charge for \$100. The result is lost interest to the provider and the collection of interest on the use of that money by the HMO, while the "dispute" - whether real or trumped up - is ironed out.

I'd like to suggest that in writing the regulations to implement the "45-day payment" provision in Act 68, IRRC incorporate a requirement which says:

"Uncontested bills, and all undisputed portions of contested bills must be paid within 45 days of submission/ mailing/ receipt or such bills or portions thereof shall incur the interest and penalty provisions of Act 68."

RECEIVED
SEP 16 1998
HARRISBURG, PA

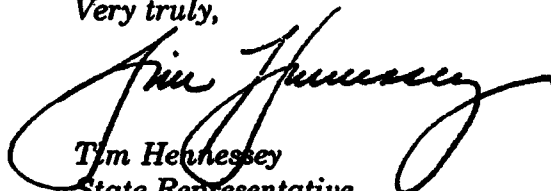
September 30, 1998

If we're able to have such language included in the regulation, perhaps we can streamline the flow of payments to our medical providers and limit contests over bills to situations where a true controversy exists.

Your help will be sincerely appreciated.

Thanks.

Very truly,

A handwritten signature in cursive script, appearing to read "Tim Hennessey". The signature is written in black ink and is positioned above the printed name and title.

**Tim Hennessey
State Representative
26th Legislative District**

TH/jj

cc: **Senator Robert Thompson**
✓ Senator James Gerlach
Representative Elinor Taylor
Representative Curt Schroder
Representative Carole Rubley
Representative Chris Ross
Representative Art Hershey
Representative Robert Flick