



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

June 29, 2008

Dear Honorable Members of the General Assembly:

This letter is to advise you that I will **veto** Senate Bill 1372 if it comes to my desk in its current form. The creation of the Pennsylvania Health Care Cost Containment Council made Pennsylvania a leader among states with respect to the transparency of health care data available to its citizens. Pennsylvania's progress in containing medical costs is advanced by the great work this Council has done since 1986 to report on hospital acquired infections, avoidable medical errors, hospital fiscal stability and uncompensated care. Its board of business and labor leaders exemplifies the partnership necessary to help the Commonwealth – and in fact our nation – slow the rise in the cost of health care. Legislation to keep this Council operating is necessary and has my support. Unfortunately, the legislation goes well beyond the commendable purpose of extending the operation of the Council including a shortsighted approach to the medical malpractice issues facing our health care providers.

Earlier this year I proposed a fiscally sound plan that would provide ten years of predictable subsidies to help health care providers cover their malpractice insurance costs, pay off more than a decade of liabilities in the MCARE fund and provide access to affordable health care for uninsured Pennsylvanians. My proposal was modified by the House to provide assistance to small employers with their employee health insurance costs, affordable health care coverage for close to 300,000 Pennsylvanians currently without coverage and a predictable ten-year subsidy to help doctors cover their malpractice costs.

Unfortunately, the legislation to extend the operation of the Council was linked to a short term extension of the subsidies to help doctors and hospitals afford malpractice insurance. I created this subsidy and fought for the increase in the cigarette tax to fund this subsidy in 2003. Since the enactment of this subsidy, health care providers have been the recipients of nearly \$1 billion in taxpayer funded subsidies to cover the malpractice insurance they are required to carry to provide health care in the Commonwealth. I support the provision of this subsidy to our health care providers, but it is critical that this subsidy be long term and that it be enacted when we also have the will to provide health care coverage to those who currently cannot afford to get care.

It is unfortunate that in its current form I will be forced to veto a bill extending the operation of the Pennsylvania Health Care Cost Containment Council. I must do so because this bill currently sells short both our health care providers and our uninsured citizens.

Sincerely

A handwritten signature in black ink that reads "Edward G. Rendell".

Edward G. Rendell
Governor