



September 28, 2010

The Honorable Michael B. Enzi
United States Senator
379A Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Enzi:

The Coalition for Affordable Health Coverage (CAHC) is writing to express our support for S.J.Res. 39, providing for the Congressional disapproval of the Centers for Medicare and Medicaid Services (CMS) rule relating to status as a grandfathered health plan under the Patient Protection and Affordable Care Act. We believe that the rule will have a significant negative impact, particularly on small businesses, by increasing costs for insurance coverage, giving employers fewer choices and less flexibility to keep health insurance costs low and adapt to an ever-changing business environment.

CAHC is a broad-based group with a diverse membership including organizations representing consumers, physicians, small businesses, large employers, insurers, brokers and agents. The Coalition maintains a singular focus: making health coverage more affordable for all, whether they have private insurance or access health services through a public program.

One of the most publicized and often repeated arguments in favor of the health care reform law was that if you liked your current health coverage, you would be able to keep it. CAHC strongly supports the idea of allowing people to maintain their current coverage through the grandfathered health plan status, not only because we believe choice is important, but, as HHS stated in the rule, grandfathered plans will likely be less expensive and thus more affordable. Unfortunately, the CMS rule does not protect the right of individuals to keep their current coverage and will instead drive most people out of their health insurance plans by 2014. In fact, the estimates provided in the rule demonstrate that by 2013 as many as 69% of all employer plans and 80% of small businesses, will relinquish their grandfathered status.

According to a survey conducted for CAHC by the National Association for the Self-Employed (NASE) to shed light on the policies outlined in the rule, many businesses regularly change plans. Survey results showed:

- 46 percent of the survey respondents shopped for a new plan at least every other year.
- Just 37 percent of those surveyed have kept the same insurance carrier since starting their business.
- 63 percent of respondents have switched insurers once or more. 36 percent switched carriers two times or more.
- 58 percent have changed insurance carriers in the past three years to get a better deal or to lower health plan costs.

These small businesses are struggling to keep their businesses open, maintain current levels of employment, create jobs and provide health coverage. They do this partially by shopping for a better deal, and yet the HHS rule would require them to relinquish grandfather status if they seek to obtain a lower cost plan, even if the plan provides the same level of benefits.

We strongly support your efforts to disapprove the CMS grandfathered plans rule and ensure that the rule will have no force or effect. It is vital, especially during difficult economic times, that employers are not burdened with additional costs and government mandates. Furthermore, the promise that individuals be allowed to keep their current health coverage if they want should be fulfilled. We stand ready to assist you in ensuring that the significant negative impacts of this rule do not go into effect.

Sincerely,



Joel C. White
Executive Director

CAHC Members

- **Aetna**
- **American Osteopathic Association**
- **Association of Clinical Research Organizations**
- **Assurant Health**
- **Cigna**
- **Communicating for America**
- **Health Equity**
- **Healthcare Leadership Council**
- **International Franchise Association**
- **The Latino Coalition**
- **National Association for the Self-Employed**
- **National Association of Health Underwriters**
- **National Association of Manufacturers**
- **National Retail Federation**
- **Pediatrix**
- **Pharmaceutical Research & Manufacturers Association**
- **U.S. Chamber of Commerce**