



September 28, 2010

The Honorable Mike Enzi, Ranking Member  
Committee on Health, Education, Labor, and Pensions  
United States Senate  
Washington, DC 20510

Dear Senator Enzi:

With great pleasure and enthusiasm, I write on behalf of the National Association of Wholesaler-Distributors (NAW) in strong support of the joint resolution of disapproval (S.J. Res. 39) of the Administration's health care "grandfather" regulations you introduced on September 21<sup>st</sup>.

As you know, NAW supports our nation's employment-based health insurance system and wants to preserve it. That said, in the experience of employers in wholesale distribution cost has been and remains a huge problem, and over the years NAW has, on behalf of the 40,000 employers affiliated with it, vigorously supported legislative initiatives aimed at making health insurance products more affordable and thus more accessible, through market-oriented reforms. As the health care reform debate unfolded in the 111<sup>th</sup> Congress, we were initially encouraged by what we viewed as President Obama's commitment to pursue reforms that would address skyrocketing costs as well as access and quality, and not to punish employers who in offering health coverage to their employees were already doing the right thing, by allowing those who like their current plan to "keep it".

Regrettably, one apparent result of the health care enactments completed six months ago (Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act) will be health insurance costs that are higher than otherwise would be the case. Ironically, the rules governing the "grandfathering" of health plans in existence on March 23, 2010, is a substantial contributor to this problem. The rule your joint resolution of disapproval properly seeks to overturn will substantially limit, to the point of practically removing, the tools employers, including wholesaler-distributors, have routinely used to partially mitigate large increases in health premiums and related costs enabling them to continue, with considerable and growing difficulty to be sure, offering health coverage benefits to their workers. Failure to abide by those limits, notably including a prohibition on changing insurance carriers, will result in the loss of grandfathered status, thus subjecting plans to a wide range of new and costly requirements.

-more-

**NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS**

1325 G Street N.W., Suite 1000, Washington, DC 20005 • 202-872-0885 • FAX: 202-785-0586 • [www.naw.org](http://www.naw.org)

*September 28, 2010*  
*Page 2*

Neither the new statutory health care reforms in general nor the Administration's regulations governing grandfathered health plans is consistent with the President's assurance of allowing people to keep their existing plans if they wish to do so. Moreover, the instant rule is so overreaching as to severely discount the value and purpose of grandfathered status. The result, we fear, will be an endless and unsustainable upward spiral in employer health care costs with a concomitant negative impact on the wages, benefits and jobs of American workers.

On NAW's behalf, I urge the adoption of S. J. Res. 39 and thank you for your leadership on this important issue to America's employers, workers and families.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Anderson, Jr.", with a stylized flourish at the end.

James A. Anderson, Jr.  
Vice President-Government Relations

cc: All Members of the United States Senate