

*News from the*

**U.S. Senate Committee on  
Health, Education, Labor and Pensions**

**Michael B. Enzi (Wyoming), Chairman**



**For Immediate Release  
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**Enzi Offers Health Insurance Modernization Bill;  
Allows Small Businesses to Create Group Health Plans While  
Safeguarding State-Based Mandates, Oversight**

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Washington, D.C. - U.S. Senator Mike Enzi (R-WY), Chairman of the Senate Health, Education, Labor and Pensions Committee (HELP Committee), said today he has introduced a broad-ranging health insurance bill to stimulate needed market reforms, promote competition, lower insurance costs, and give trade associations the ability to offer new group insurance plans for their employees.

Enzi's bill, "The Health Insurance Marketplace Modernization and Affordability Act of 2005," will allow business and trade associations to band their members together and offer group health coverage on a national or statewide basis in direct response to runaway costs that are driving far too many employers and families from comprehensive health insurance. Since 2000, for example, group premiums for family coverage have grown nearly 60%, compared to an underlying inflation rate of 9.7% over the same period.

"Working with a diverse group of Senators and groups representing small business, insurers and consumers, we've bridged the gap between proponents and opponents of Association Health Plans (AHPs)," Enzi said Thursday. The bill, filed late yesterday, is cosponsored by Senator Ben Nelson (D-NE) and Senator Conrad Burns (R-MT).

Designed to enhance the market leverage of small groups as well as individuals, “The Health Insurance Marketplace Modernization and Affordability Act” will: give associations a meaningful role on a level playing field with other group health plans; streamline the current hodgepodge of varying state regulations; preserve the primary role of the states in health insurance oversight and consumer protection; make lower-cost health plan options available; and achieve meaningful reform without a big price tag.

“We are nearing almost five years of double-digit growth in health insurance premiums – increases that have repeatedly exceeded more than five times the rate of inflation,” Enzi said. “This inflationary spiral is lowering the quality of life for countless families and hurting our economy. But those hardest hit are America’s small businesses and their hard-working employees and families. Never before has there been a more urgent need to encourage market reforms like those proposed in this bill.”

The legislation will benefit a far wider universe of individuals than AHPs particularly families struggling to keep their current insurance as well as those already priced out of their plans. It responds to pleas from the small business community be allowed to pool their members and provide group health insurance, called Small Business Health Plans (SBHPs) under the Enzi bill, but will also include safeguards to protect against adverse effects that could result if new group plans were given a blanket exemption from state-based oversight and enforcement.

### **Highlights: “Health Insurance Marketplace Modernization & Affordability Act”**

#### **Small Business Health Plans (SBHPs) established under the Enzi bill:**

Will resemble the fully insured-component of the AHP bill S.406, “The Small Business Fairness Act;”

Will permit business and trade associations to pool their members independently but will not allow them to establish to self-insured plans;

Will require SBHPs to include any already required by at least 45 states as part of their plans, but also will allow those SBHPs to opt out of other mandated benefits that are not required by at least 45 states.

#### **Rules that will govern SBHPs established under the Enzi bill:**

Must obtain federal certification;

Must be governed by a board of trustees with complete fiscal control;

Must be established for purposes other than health coverage;

Must have been in existence for at least 3 years;

Must not condition association membership or coverage on health status.

**Modernization: Promoting uniform state insurance regulations under the Enzi bill:**

Sets up a process to promote greater uniformity in the current costly and competition-inhibiting hodgepodge of varying state health insurance regulations;

Sets up a harmonization commission under the Department of Health and Human Services to develop uniform standards for insurance regulation:

Areas of insurance regulation to be addressed by the commission include:

Rating and underwriting;

Consumer protections;

Market conduct and plan oversight standards.

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