

Dear Dr. Tennant :

Thank you for contacting me regarding the Health Insurance Marketplace Modernization and Affordability Act. I appreciate hearing your thoughts and understand your concerns.

As you may know, S. 1955, the Health Insurance Marketplace Modernization and Affordability Act of 2005, was introduced in the Senate on November 2, 2005. Among other provisions, this legislation would allow qualified associations of small businesses to pool together to form Small Business Health Plans for the purchase of health insurance, while allowing the health insurance plans that they would be offered to bypass certain state coverage mandates. The bill was approved by the Senate Health, Education, Labor, and Pensions Committee, of which I am not a member, by a vote of 11-9. Rest assured , I will keep your thoughts in mind should this legislation come before the full Senate for a vote.

I am committed to improving access to affordable health care among small businesses and addressing the needs of those who are uninsured. More than half of all uninsured Americans work for small businesses or depend on a family member employed by small businesses. That is why, on June 29, 2005, I reintroduced the Small Business Health Care Act, S. 1329, legislation to provide a health care tax credit to small businesses with up to 100 employees and to assist states in establishing health insurance purchasing pools. The bill provides up to a 50% tax credit to small businesses that currently offer health benefits. In addition, the bill will enable companies to join state run purchasing pools so that they can negotiate lower rates with insurance companies but continue to subject these pools to state regulations, ensuring that purchasing pools comply with state solvency! standards. The bill would not require states to establish state run purchasing pools, but in states that elect to establish state run purchasing pools, the tax credit could only be claimed by small businesses that elect to join. This tax cut proposal could help as many as 114,000 Hoosier small businesses.

Again , thank you for contacting me. I hope the information I have provided is helpful. My website, <http://bayh.senate.gov>, can provide additional details about legislation and state projects, and you can also sign-up to receive my monthly e-newsletter, The Bayh Bulletin, by clicking on the link at the top of my homepage. I value your input and hope you will continue to keep me informed of the issues important to you.

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