

Dear Dr. and Mrs. Hartman :

Thank you for taking the time to contact me concerning the Health Insurance Marketplace Modernization and Affordability Act of 2005 (S. 1955).

The U.S. Census Bureau recently reported there are approximately 41.2 million uninsured Americans. For these Americans, and for everyone insured who pays increasingly higher insurance premiums for access to quality care, it is imperative that the rising cost of health care be addressed. As a member of the Senate Small Business Committee, I support the concept of allowing small businesses to come together to offer affordable health insurance to their employees.

S. 1955 was introduced on November 2, 2005 by Senator Mike Enzi (R-WY) and was referred to the Health, Education, Labor, and Pensions Committee where it was reported out favorably on March 15, 2006. This legislation would allow small businesses to band together to offer Small Business Health Plans (SBHP), similar to what is offered by larger companies, like Minnesota 's General Mills.

I understand your concerns with respect to preempting state insurance laws. This bill promotes fairness among businesses in negotiating health plans. Preemption of 50 state insurance regulatory regimes under the federal Employee Retirement Income Security Act (ERISA) has allowed unions and large employers to provide cost-effective health benefits that small businesses would have a difficult time negotiating on their own.

Under this legislation, if the plan chooses to bypass state benefit mandates and offer a "lower-cost option," then the SBHP must also offer a more comprehensive plan that covers the same benefits offered in one of the state employee plans in one of the five most populous states.

You may be interested to know that a report prepared by the Milwaukee firm of Mercer Oliver Wyman, Inc. for the National Small Business Association found that S. 1955 would reduce health insurance costs for small businesses by 12 percent or about \$1,000 per employee, and would reduce the number of uninsured in working families by 8 percent or approximately 1 million people.

Please know that I will keep your views in mind should this legislation come before the full Senate for a vote.

I am humbled to serve as your Senator, and hope you will not hesitate to contact me on any issue of concern to you or your family.

Sincerely,  
Norm Coleman  
United States Senate