

Dear Dr. Kiley:

Thank you for contacting me about the Health Insurance Marketplace Modernization and Affordability Act of 2005 (S.1955). I appreciate hearing your views on this matter.

S.1955 would allow for the creation of Small Business Health Plans (SBHPs). SBHPs are group health plans that would be controlled by trade, industry, professional organizations or by the local chamber of commerce. Members of these business and professional associations, whether they are individuals or small businesses, would be eligible for health insurance benefits under the SBHPs.

S.1955 would also require the Secretary of Labor to create the Commission on Health Insurance Standards Harmonization (CHISH). CHISH would attempt to “harmonize” different health insurance regulations between the states by publishing health insurance recommendations based on a plurality of states’ existing recommendations. Once the CHISH standards are drawn up, they would supersede existing state health insurance laws in areas covered by the CHISH report. S.1955 was voted out of the Senate Committee on Health, Education, Labor, and Pensions on March 15, 2006, and is currently awaiting consideration by the full Senate.

As a member of the Senate Small Business Committee, I am aware of how difficult it is for small business owners to provide health insurance for their employees. Proponents of this legislation see S.1955 as a solution for small businesses that are finding it increasingly difficult to afford health insurance for their employees. Opponents of this legislation are concerned about the impact this bill would have on the insurance market as a whole. Healthy individuals and groups may gravitate toward high deductible, low coverage plans, forcing many individuals who require more medical services to sign up for the lower deductible but more expensive coverage plans. In addition, there is concern that coverage for specific chronic illnesses, such as diabetes, would become either inadequate or unaffordable for individuals with the most need.

I will be sure to keep your views in mind as this debate continues. Once again, thank you for writing.

Sincerely,
Carl Levin