

Dear Dr. Williams:

Thank you for contacting me in opposition to Association Health Plans (AHPs).

As a former state insurance commissioner, I am concerned about recent legislative proposals that expand AHPs but exempt them from state regulation and oversight. While their stated goal is to help small businesses create more affordable insurance pools, I feel the unintended consequences could have a significant impact on the affordability and availability of health insurance for the rest of the population.

Legislation must ensure that any reduction in premiums that AHPs would be able to secure would not come from either eliminating benefits that are currently required by state laws, or from a tactic known as "cherry picking"--attracting healthy members from other insurance pools.

State oversight is an important piece of the puzzle that protects consumers and ensures risk is spread appropriately. Furthermore it forces companies engage in sound underwriting practices. It will be essential that any legislation attempting to set up insurance pools for small businesses retain this valuable oversight.

I understand that access to health care is increasingly challenging for small employers, and I am committed to working with my colleagues to search for ways to help these businesses and their employees. I will continue to closely monitor this issue and be sure to keep your views in mind should this legislation come before the full Senate.

Sincerely,

Bill Nelson