

Dear John:

Thank you for sharing with me your views on the Health Insurance Marketplace Modernization and Affordability Act, S. 1955. I appreciate hearing from you and share your opposition to this bill.

The rising cost of health in this country is a serious problem that deserves priority attention from Federal policymakers. However, I do not believe Association Health Plans (AHPs) are the way to attack this problem. This bill proposes that AHPs be regulated at the federal level, which would give AHPs the authority to circumvent state laws. They would have the ability to build insurance programs that are unattractive to older and more vulnerable populations, resulting in a drastically segmented market. This would lead to increased instability and higher premiums. A study released by Mercer Risk, Finance and Insurance Consulting in June 2003 indicated that under such proposals, an additional 1 million people would be left uninsured and premiums would rise 23%. The AHP bill does have a provision "that would allow insurers to sidestep state laws to design their benefit options only if they also sell a plan that matches a benefit plan offered to state employees of one of the five most populous states — California, Texas, New York, Florida or Illinois," according to one press report. However, I am not satisfied that this provision adequately preserves each state's ability to protect its citizens.

While I do not support S.1955, please be certain that I understand the need for more affordable health care benefits and am working with my colleagues to address this challenge.

Again, thank you for writing to me on this important issue. Please stay in touch in the days ahead.

Sincerely,

Barack Obama  
United States Senator