



S. 1955: The Wrong Prescription for Cost and Coverage

The Health Insurance Marketplace Modernization and Affordability Act (S. 1955) is sold as a way to make insurance more available and affordable to small businesses. But in reality, it would wipe away important health insurance protections and make health care coverage more expensive for older and less healthy individuals. The bill goes far beyond the scope of the original Association Health Plan legislation, and preempts state laws for the individual, small and large group health insurance markets. S. 1955:

Eliminates important health care coverage protections that only exist in the states. Millions of Americans would lose coverage for such important care as: screenings for breast, cervical, colorectal and prostate cancer; well-child care and immunizations; contraception; emergency services; mental health; and diabetes supplies and education. S. 1955 preempts over 1000 state laws, leaving insurers free to offer policies that exclude basic benefits and states with no recourse. To gain this exemption from state laws, insurers need only offer one plan that resembles a plan offered to state employees in one of the five most populous states. That plan does not have to be affordable or comprehensive and could be a high-deductible health plan. For example, Florida offers its state employees a plan that includes a \$5000 deductible for families.

Prevents states from limiting how much insurers can charge small businesses with a workforce that includes older and sicker workers, as well as women of child-bearing age. States that have taken steps to prohibit discriminatory pricing based on age, gender, geography and business size would be unable to enforce their laws. The bill imposes an out-of-date 1993 NAIC model law, rather than the more protective current model. Under this new system, many small businesses with workers who are older and sicker, women of child-bearing age, or who have fewer employees, will immediately see their premiums rise.

Includes such significant preemption of state law that it even allows insurers to sue states in federal court if they attempt to act on behalf of their residents. Some insurers can even go directly to the federal court of appeals and get an expedited review of their case, a right not afforded to patients.

Invites cherry-picking and fraud. The AHP portion of S.1955 still invites favorable treatment of those who are young and healthy, at the expense of those who have more complex health care needs. It also invites insurance fraud, through weak certification requirements.

S. 1955 will harm consumers that need health care the most, forcing them to pay higher premiums for less coverage. The proposal should be rejected.