

April 4, 2006

Dear Senator:

The undersigned organizations are writing in opposition to the Health Insurance Marketplace Modernization and Affordability Act of 2005, S. 1955. This controversial legislation would preempt state insurance laws, not just in the small group market (as is done by Association Health Plan legislation), but also in the individual and large group markets. S. 1955 would eliminate all the progress states have made to ensure that consumers have adequate health coverage.

S. 1955 would take away the states' power to regulate health insurance. The bill preempts benefit, service and provider laws that states have enacted to ensure that consumers have adequate health coverage. Coverage for cancer screenings and treatment, diabetes supplies and education, mental health, preventive care, rehabilitation, well-child care and immunizations, maternity care, and other important health care needs would be lost. S. 1955 also exempts Small Business Health Plans (SBHPs, also known as AHPs) from state benefit, service and provider access laws.

Insurance companies, instead of state-elected legislators, would now decide the benefits that consumers should have when they purchase health care. States would have no recourse to protect their own residents and they would lose any incentive to enact protective health insurance laws in the future and be laboratories for healthcare innovation.

An insurer would only need to meet one requirement in order to bypass a state's protections: offer a second plan that resembles a plan offered to state employees in one of the five most populous states. There are no limits on the cost-sharing an insurer can charge, nor is there a requirement that the plan be comprehensive. In fact, an insurer could choose a high deductible/HSA plan, an option now available to employees in at least one of the five most populous states. Again, a state has no recourse if this so-called enhanced option does not meet the needs of its residents.

S. 1955 also would preempt stronger state laws that limit the ability of insurers to vary premiums based on health status, age, gender and geography. For many older, sicker Americans and those with complex health needs and disabilities, this would price them out of the health insurance market, undermining the stated purpose of the legislation. The bill imposes on all the states an outdated model law created by the National Association of Insurance Commissioners (NAIC), rather than using the NAIC's current model standard that is more protective.

A bill that preempts over 1000 state laws and raises premiums for those who need coverage the most should warrant careful review before it is considered on the Senate floor. The only analysis of the bill that we have seen fails to discuss the impact on those who are older, have complex health needs, or are women of childbearing age. It also fails to address the impact of providing coverage that leaves people uninsured for certain diseases, basic preventive care and events such

as pregnancy. As we have found through analysis of the federal AHP legislation, a proposal that purports to provide more affordable and expanded coverage can fail to do what it claims and even make existing access and cost problems worse.

While the sponsors of S. 1955 have made a sincere effort to address shortcomings of the AHP legislation, their solution makes things worse by endangering the quality of health care for the 68 million Americans in state-regulated group health plans and 16.5 million with individual coverage. We urge your opposition to this legislation.

Sincerely,

Academy for Eating Disorders  
Alliance for Children and Families  
Alliance for Eating Disorders Awareness  
American Academy of Child & Adolescent Psychiatry  
American Academy of HIV Medicine  
American Academy of Pediatrics  
American Academy of Physician Assistants  
American Anorexia/Bulimia Association of Philadelphia  
American Association for Geriatric Psychiatry  
American Association for Marriage and Family Therapy  
American Association of People with Disabilities  
American Association of Practicing Psychiatrists  
American Cancer Society  
American Chiropractic Association  
American College of Nurse-Midwives  
American Counseling Association  
American Diabetes Association  
AFL-CIO  
American Federation of State, County and Municipal Employees  
American Federation of Teachers  
American Group Psychotherapy Association  
American Nurses Association  
American Optometric Association  
American Pediatric Society  
American Podiatric Medical Association  
American Psychiatric Association  
American Psychiatric Nurses Association  
American Psychoanalytic Association  
American Psychological Association  
American Speech-Language-Hearing Association  
Anna Westin Foundation  
Anxiety Disorders Association of America  
Assistive Technology Law Center  
Association for Ambulatory Behavioral Healthcare  
Association for the Advancement of Psychology

Association of Medical School Pediatric Department Chairs  
Association of Women's Health, Obstetric and Neonatal Nurses  
Bazelon Center for Mental Health Law  
Brain Injury Association of America  
C3: Colorectal Cancer Coalition  
Catholics for a Free Choice  
Center for Eating Disorder Recovery  
Center for Women Policy Studies  
CHADD, Children and Adults with Attention-Deficit/Hyper-Activity Disorder  
Citizen Action of New York  
Clinical Social Work Federation  
Clinical Social Work Guild 49, OPEIU  
Communications Workers of America  
Consumers Union  
Dads and Daughters  
Department for Professional Employees, AFL-CIO  
Eating Disorders Coalition for Research, Policy & Action  
Eating Disorder Referral and Information Center  
Empire Justice Center (New York)  
Family Planning Advocates of New York State  
Families USA  
Federation of Families for Children's Mental Health  
Foundation for Taxpayer and Consumer Rights  
Gail R. Schoenbach F.R.E.E.D. Foundation  
Guttmacher Institute  
Health and Disability Advocates  
Helping to End Eating Disorders Foundation  
International Association of Machinists & Aerospace Workers  
International Brotherhood of Electrical Workers  
International Longshore & Warehouse Union  
International Union of Painters and Allied Trades  
International Union, United Auto Workers  
Kristen Watt Foundation  
Maternal and Child Health Access  
Mental Health Legal Advisors Committee (Commonwealth of Massachusetts)  
Michigan Association for Children with Emotional Disorders  
National Alliance on Mental Illness  
National Association for Children's Behavioral Health  
National Association of Anorexia Nervosa and Associated Disorders – ANAD  
National Association of County Behavioral Health and Developmental Disability Directors  
National Association of Social Workers  
National Council on Independent Living  
National Disability Rights Network  
National Eating Disorders Association  
National Family Planning and Reproductive Health Association  
National Health Law Program

National Mental Health Association  
National Multiple Sclerosis Society  
National Research Center for Women & Families  
National Spinal Cord Injury Association  
National Partnership for Women & Families  
National Women's Health Network  
National Women's Law Center  
New York Civil Liberties Union Reproductive Rights Project  
Northwest Women's Law Center  
Pediatrix Medical Group  
Pennsylvania Educational Network for Eating Disorders  
Planned Parenthood Federation of America  
Religious Coalition for Reproductive Choice  
Remuda Ranch  
Renfrew Center Foundation  
Small Business Majority  
Society for Pediatric Research  
Suicide Prevention Action Network USA  
Summit Health Institute for Research and Education, Inc.  
The Arc of the United States  
The Elisa Project  
The Institute for Reproductive Health Access  
Therapeutic Communities of America  
United Cerebral Palsy  
United Food and Commercial Workers  
International Union  
United Steelworkers International Union (USW)  
Washington State Hospital Association  
Women Work!  
World Institute on Disability

**State Officials**

John Garamendi, Insurance Commissioner, State of California  
Kevin M. McCarty, Insurance Commissioner, State of Florida  
Alice A. Molasky-Arman, Commissioner of Insurance, State of Nevada  
Howard Mills, Superintendent, Insurance Department, State of New York  
Christopher F. Koller, Health Insurance Commissioner, State of Rhode Island  
John P. Crowley, Commissioner, Department of Banking, Insurance, Security and Health Care  
Administration, Vermont  
Mike Kreidler, Insurance Commissioner, State of Washington  
Jorge Gomez, Commissioner of Insurance, State of Wisconsin

Bill Lockyer, Attorney General, State of California  
Eliot Spitzer, Attorney General, State of New York

National Conference of Insurance Legislators

Alexander B. Pete Grannis, New York Assembly Insurance Committee Chair  
James L. Seward, New York Senate Insurance Committee Chair

**Health Plans**

Capital District Physician's Health Plan

Excellus BlueCross BlueShield

Group Health Incorporated

HIP Health Plan of New York

Independent Health Association

MVP Health Plan, Inc.

Univera Healthcare