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Department of Banking, Insurance,  
Securities and Health Care Administration

March 27, 2006

COPY

The Honorable James Jeffords  
United States Senate  
Washington, DC 20510

Re: S.1955, The Health Insurance Marketplace Modernization and Affordability Act

Dear Jim:

I am writing to express my concerns about S.1955, introduced by Senator Enzi and others and reported out of the Senate Health, Education, Labor and Pensions Committee on March 15, 2006.

The Douglas Administration shares the stated purpose of S.1955 - "to reduce costs and improve access in the health insurance marketplace." Specifically, the Douglas Administration is committed to the following health care reform goals:

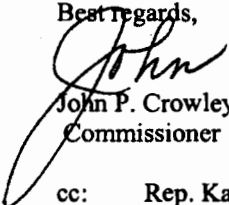
- Universal access to affordable health insurance for all Vermonters.
- Better quality and cost containment through health care system reform.
- Healthy behavior and disease prevention across the lifespan of the individual.

We appreciate the work of Senator Enzi's Committee to fashion a bill that avoids some of the problems inherent in the Association Health Plan legislation under consideration in the House, such as the risk of insolvency posed by self-funded association plans, and an assumption of regulatory functions by the federal government. Unfortunately, S.1955 as reported from the Committee still contains some features that concern us, and may be counterproductive to Vermont's effort to achieve its health care reform goals. For example, Governor Douglas, like you, is a strong supporter of mental health parity; but S.1955 would appear to preempt Vermont's mental health parity laws. The bill would also appear to preempt long standing rating methodologies in place in the small group market in Vermont, which methodologies have made it possible for small groups to have access to health insurance at predictable rates. In addition, there may be reduced access and increased premiums for Vermont small businesses that are unable to join one of the national associations authorized by the legislation.

For all of these reasons, I hope you can work to modify the bill so that it is more in keeping with Vermont's health care reform efforts.

Hope you and Liz are doing well.

Best regards,

  
John P. Crowley  
Commissioner

cc: Rep. Kathleen Keenan, Chair, House Commerce Committee  
Sen. Ann Cummings, Chair, Senate Finance Committee  
Herbert W. Olson, General Counsel

89 Main Street, Drawer 20, Montpelier, VT 05620-3101  
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