

July 14, 2009

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The undersigned organizations, representing millions of businesses that create jobs and provide quality, affordable health insurance to tens of millions of Americans, wish to urge caution in addressing one of the most difficult problems facing our nation today – reforming the health care system.

Collectively, our members are dedicated to improving our nation's health care system, especially in terms of lowering health care costs, improving the quality of care, and making sure every American has access to affordable coverage. However, we believe that some of the approaches under consideration in the House legislation would not improve the system, but in fact would jeopardize the parts of the system that currently work.

We are specifically concerned with a proposal to mandate that employers either provide health insurance or pay a new eight percent payroll tax. The House "pay or play" proposal is even more troublesome because employers are also mandated to pay the majority of employee premiums. Exempting some micro-businesses will not prevent this provision from killing many jobs. Congress should allow market forces and employer autonomy to determine what benefits employers provide, rather than deciding by fiat.

Coverage decisions would also be set by a new Health Benefits Advisory Council that would have significant power but be highly unaccountable to the American people. We urge Congress to leave these decisions between providers, patients, insurers, and plan-sponsors – not to dictate them from Washington.

Another troubling provision is the creation of a new government-run insurance plan. Employers currently suffer a significant cost-shift from existing public programs, and the program described in House legislation would significantly increase costs for every American who purchases private insurance. We are also concerned that the government plan will not be a fair competitor, and employers will not be able to continue offering their current plans, which cover more than 170 million Americans.

The business community is eager to work with Congress to reform the health care system – businesses, as providers of healthcare benefits, continue to see health care costs rise far in excess of GDP growth or inflation. Innovative businesses have valuable outcomes to share with legislators about approaches they have developed to help drive quality and control costs. We urge Congress to focus on consensus areas that can accomplish our shared goals. Chief among these should be initiatives to improve quality and lower costs, introducing fair regulation of the insurance market, and building a robust marketplace for consumers.

We believe that responsible and constructive health reform that we all can support can be enacted, this year. We call on Congress to enact reforms that lower cost, improve quality and provide greater access to affordable coverage for all without jeopardizing those who currently have coverage.

Sincerely,

American Bakers Association
American Benefits Council
American Farm Bureau Federation
American Rental Association
American Trucking Associations, Inc
Associated Builders and Contractors, Inc.
Associated General Contractors
Brick Industry Association
Business Roundtable
Corporate Health Care Coalition
ERISA Industry Committee
HR Policy Association
Independent Electrical Contractors
International Dairy Foods Association (IDFA)
International Foodservice Distributors Association
International Franchise Association
Motor & Equipment Manufacturers Association
National Association of Health Underwriters
National Association of Home Builders
National Association of Manufacturers
National Association of Wholesaler-Distributors
National Coalition on Benefits
National Council of Textile Organizations (NCTO)
National Federation of Independent Business
National Retail Federation
National Roofing Contractors Association
National Stone and Gravel Association
Printing Industries of America
Retail Industry Leaders Association
Society for Human Resource Management
U.S. Chamber of Commerce