

November 4, 2009

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D. C. 20515

The Honorable John A. Boehner
House Minority Leader
U.S. House of Representatives
Washington, D. C. 20515

Dear Madam Speaker and Minority Leader Boehner:

We are writing to express our opposition to the Affordable Health Care for America Act. The legislation falls short of the bipartisan goal of controlling costs and jeopardizes employer-sponsored coverage which now serves more than 160 million Americans.

The employer community is united in the belief that the reform effort must begin to reduce healthcare costs. We need affordable health insurance options for employees. Employers have been supportive of reform for some time now, as health care costs have continued to rise much faster than the rate of inflation.

Evidence abounds that as much as one-third of health care spending may be unnecessary. This is why the employer community has been so proactively engaged in the reform effort. Unfortunately, we do not believe the House bill, taken as a whole, achieves meaningful, long-term control of U.S. health care costs and therefore urge all members of the House of Representatives to oppose the legislation.

The employer community has consistently expressed our concerns about the House legislation on four core issues. Regrettably, the Affordable Health Care for America Act has failed to address our recommendations with regard to:

1. ERISA
2. Employer Mandates
3. The Public Plan
4. Minimum Benefits Package

ERISA

For several years, the employer community has made clear that ERISA is a critical cornerstone in the employment-based system. Specifically, the House bill includes provisions that apply state law remedies to health insurance coverage purchased by employers in a health insurance exchange, override employers' contracts for retiree health benefits that will make costs increase, and require all employer-sponsored health coverage to meet detailed federal requirements that will increase administrative costs and divert resources away from direct medical care.

Employer Mandate

The business community does not support an employer-mandate to offer and pay for coverage. A “pay or play” employer mandate imposes many costly requirements so that those who might prefer to offer coverage to their workers may “pay” rather than “play.” This would affect many workers’ current coverage and remove the current involvement of the employer in innovating and getting greater value as purchasers of health care services. Also, employee populations vary greatly and care should be taken to provide flexibility in enrollment in employer-sponsored plans.

The Public Plan

A public plan, particularly combined with the impact of Medicare, Medicaid, and other public plans, will not operate on a level playing field and compete fairly if the government acts as both a payer and a regulator. The public plan’s unfair competitive position, both by its size and regulatory authority, will merely shift costs to the private sector and to all Americans covered by private plans. Soon there would be tremendous pressure for the new public plan to pay below market rates, just as we have seen in Medicare and Medicaid, even if initially the public plan is directed to pay “negotiated” rates. This would result in enormous cost-shifts to private payers, undercut market-based insurance reforms, and reduce innovation in our health care system.

Minimum Benefits Package

The legislation would impose minimum benefit requirements on plans that we offer. This would force many employers to curtail other valuable benefits because of the need to comply with costly administrative and benefit mandates. Employers want the flexibility to tailor a plan to meet the needs of the company’s workforce.

While we oppose this legislation, we do look forward to continuing to work with you on achieving responsible and practical health care reform legislation and on getting the fundamentals right for all Americans. Working together, we can achieve positive reform that bends the cost curve and expands access and quality for all Americans.

Sincerely,

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Amor Sign Studios, Inc.
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Ariel Corporation
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Coastal Agency
Coastal QSR, LLC
Coldwell Banker, Princeton
Colonial Transportation, LLC
ColorSources, Inc.
Commercial Testing Laboratory, Inc.
Community Care Managed Healthcare Plans of Oklahoma
Constangy, Brooks & Smith, LLP
Con-Tech Plastics
Corporate Health Care Coalition
Crossfire Equipment & Construction
Crown Risk Management, LLC
Cuisine Solutions
Currie Associates, Inc.
D&M Metal Products
Daniells, Phillips, Vaughan & Bock
Dawlen Corporation
Deere & Company
Deseret Mutual Benefit Administrators
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Diakon Logistics
Diamond Casting & Machine Co.
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Don Shroust Insurance Agency, LLC
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Engineering Services Network, Inc.
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Faces DaySpa
Falcon Plastics, Inc.
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Finest Grains
Fisher Barton, Inc.
Florida Chamber of Commerce
Form Grove Manufacturing Company
Fredon Corporation
Freescale Semiconductor, Inc.
French Oil Mill Machinery Co.
GeoLogics
Georgia Machine Works
Glas-Col, LLC
Glier's Meats, Inc.
Goodrich Corporation
Great Plains Energy
Greater Raleigh Chamber of Commerce
Green Bay Area Chamber of Commerce
Green River Cabins, LLC
Growers Choice Insurance
GTC Technology, Inc.
Hanna Enterprises, Ltd.
Hannay Reels
Harris Corporation
Harrisburg Regional Chamber & CREDC
Help Me Move...and More, LLC
Helton Builders, Inc.
Henry Brick Company, Inc.
Herold Precision Metals, LLC.
Hialeah Metal Spinning, Inc.
Hiler Industries, Inc.
Hilton Woodcliff Lake
Hinson Management, Inc.
Hinton Burdick CPA's & Advisors
Holland & Associates

Hopkins Pontiac GMC
HR Policy Association
HRA Services, Inc.
HSBC North America
Hudapack Metal Treating, Inc.
Hwy 29 Markets
Imperial Industries, Inc.
Independent Electrical Contractors
Independent Lubricant Manufacturers Association
Indiana Chamber of Commerce
Indiana Manufacturers Association
Industrial Fasteners Institute
Infinite Group, Inc.
Ingram Industries, Inc.
Insurance Solutions
International Association of Refrigerated Warehouses
International Franchise Association
International Sign Association
Iowa Realty
Iroquois Title Company
J.C. Penney Company
Jefferson Chamber of Commerce
Jeffrey Wolk and Co.
Jeld-Wen, Inc.
Jessup Engineering, Inc.
Johnson City Chamber of Commerce
Johnstone Supply
Kedron, Inc.
Kelly-Moore Paint Co., Inc.
Kinsail Corporation
Kitchen Cabinet Manufacturers Association
Kiva Plastics, Inc.
Koller Enterprises, Inc.
Lafarge North America
Land O'Lakes, Inc.
Larson Waste, Inc.
Lee's Service
Liberty Mutual Group
Lile International Companies
Lipsky Financial Group, Inc.
Lockton Companies, LLC
Loksafe, Inc.
Lord Corporation
Loudoun County (Virginia) Chamber of Commerce
Louisiana Business Group on Health
M.I. Industries/Nature's Variety
Magnolia-Columbia County Chamber of Commerce
Maine Chamber of Commerce
Maintain 2 Gain Property Solutions
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Marlin Steel Wire Products, LLC
Marshalltown Area Chamber of Commerce

Maryland Chamber of Commerce
Master Marine, Inc.
McGill Smith Punshon, Inc.
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MeadWestvaco Corporation
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Metal Products Company
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Micropub Systems International, Inc.
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Miller Wire Works, Inc.
MindShare Strategies, Inc.
Miner Institute
Minnesota Chamber of Commerce
Missouri Chamber of Commerce and Industry
Mobile Area Chamber of Commerce
Modern Technology Solutions, Inc.
Montoya PR
Motor & Equipment Manufacturers Association
Murphy Business & Financial Corporation
Mutual of Omaha
National Association of Health Underwriters
National Association of Manufacturers
National Association of Wholesaler-Distributors
National Automobile Dealers Association
National Coalition on Benefits
National Council of Chain Restaurants
National Ready Mixed Concrete Association
National Retail Federation
National Roofing Contractors Associations
National Rural Electric Cooperative Association
National Teachers Associates Life Insurance Company
Net Results in CAD, Inc.
New Castle Hotels & Resorts
Nordic Group of Companies Ltd.
North Carolina Chamber
North Coast Education Services
North Dakota Chamber of Commerce
North Marine, LLC
North Myrtle Beach Chamber of Commerce
Northeast Pennsylvania Manufacturers and Employers Association
Northwest Asphalt, Inc.
Northwood Construction, Inc.
Nursery and Landscape Association
Nu-Way Industries, Inc.
NYCO Minerals, Inc.
O.F. Mossberg & Sons, Inc.
OBC Publishing Company, Inc.
OBrien Enterprises
Ohio Chamber of Commerce
Oil-Dri Corporation of America

Orlando Regional Chamber of Commerce
Oshkosh Chamber of Commerce
Pacific Northwest Transportation Services, Inc.
Pacific Plastics & Engineering
PAL Employer Services
Palm Coast Pizza Restaurants, LLC
Panhandle Pizza, LLC
Paper and Chemical
Paul, Hastings, Janofsky & Walker, LLP
Payment Options
PC Management, LLC
Pennsylvania Chamber of Business and Industry
Permac Industries
Personnel Management, Inc.
Phoenix Closures, Inc.
Phoenix Electric Mfg. Co.
Physician Surgery Center, LLC
Pine Hall Brick Company, Inc.
Pistol Creek Company
Plumb Supply Company
Porta-King Building Systems
Power Curbers, Inc.
PowerNotebooks.com
PPG Industries
Premier Source
Premier Staffing Services
Pretzels, Inc.
Prims, Ltd.
Prizer Point Marina & Resort
Professional Resource Options, Inc.
Prometheus Investment Management, LLC
PSC Real Estate, LLC
Pyramid Services, Inc.
Quality Float Works, Inc.
Radix Wire Company
Ratner Companies
RealexEEC
Renew Design Group, Inc.
Restaurant Real Estate Holdings, LLC
Retail Industry Leaders Association
Reuther Mold & Manufacturing Co.
Richards Benefits & Financial Services
Rick Olson and Company
Robi Sales
Rockwell Automation
Rogers - Lowell Area Chamber of Commerce
Rohm Insurance Agency
Ronnie Martin Realty, Inc.
Sandmeyer Steel Company
Sanford Fogg
Santa Clara Chamber of Commerce & Convention-Visitors Bureau
Savannah Court of Brandon

Schatz Bearing Corporation
Schuylkill Chamber of Commerce
Schweitzer Engineering Laboratories, Inc.
Sears Holdings Corporation
Securitas Security Services USA, Inc.
Self-Insurance Institute of America (SIIA)
Seven & Associates
Sheraton Tarrytown
Sherwood-Templeton Coal Company, Inc.
Shoals Chamber of Commerce
Signal Metal Industries, Inc.
Sikama International
Smurfit-Stone Container Corporation
Society for Human Resource Management
Society of American Florists
Society of Chemical Manufacturers & Affiliates
Solers, Inc.
South Alabama Commercial Laundry
South Beach QSR, LLC
South Bend Modern Molding, Inc.
South Carolina Chamber of Commerce
South Carolina Pizza Restaurants, LLC
South Cove Ventures, LLC
Southeast QSR, LLC
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Spectra Energy
SPI: The Plastics Industry Trade Association
Sports Spine & Industrial, Inc .
St. Tammany West Chamber of Commerce
Star Leasing Co.
Stone Ledge Manor
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Summerbreeze Publications
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Surgery Center of Kalamazoo
Swanson Industries, Inc.
Systems Management & Research, Inc.
Tablecraft International, Inc.
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Task Force Tips, Inc.
TeamBTS, Inc.
Technical Materials, Inc.
Technology Service Corporation
Teknor, Inc.
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Tennessee Chamber of Commerce & Industry
Texas Association of Business
The Baldwin Group, Inc.

The Bay Agency
The Black & Decker Corporation
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The Cicotte Law Firm, LLC
The Dow Chemical Company
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The ERISA Industry Committee
The Lee Company
The Libman Company
The Salt Institute
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The Will-Burt Company
THOR Investment Management, Inc.
Tom Hundley Heating & Cooling, LLC
Top Prospects
TradeSource, Inc.
Tramco, Inc.
Trissential
Trueblood Studios, Inc.
Tusco Display
Tyco International
Tyler Construction Group
U.S. Chamber of Commerce
United Parcel Service, Inc.
United States Steel Corporation
Universal Avionics
Universal Health Network
Utah Manufacturers Association
ValMedia Designs
Vangent, Inc.
Vantage Outsourcing
Verizon Communications
Vermeer Corporation
Virginia Chamber of Commerce
Volcano Communications Company
Vrabec Enterprises, Inc.
Wallis Stucco & Plastering
Weller Auto Parts, Inc.
WellPoint, Inc.
Westfield Group
Wichser Services
Windway Capital Corporation
Wire Belt Company of America
Wisconsin Manufacturers & Commerce
Wisconsin Petroleum Inc.
Wise Design, Inc.
Wood Machinery Manufacturers of America (WMMA)
Xerox Corporation
X-Ray Sales & Service Co.
Zebra Technologies Corporation

cc: U.S. House of Representatives