May 20, 2008

The Honorable Max Baucus  
Chairman  
Committee on Finance  
United States Senate  
Washington, DC 20510

The Honorable Charles Grassley  
Ranking Republican Member  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Chairman Baucus and Senator Grassley:

The National Coalition on Benefits (NCB) thanks you for your commitment and leadership in the critical debate on how to improve America’s healthcare system. We share with you the conviction that health care reform is a top national priority and we are writing to share our views with you on what we believe are key components to its success.

The NCB is a broad-based coalition of over 150 employers, employer trade associations and other organizations that represent companies that voluntarily provide health, retirement and other valuable benefits to 132 million Americans within the framework of the 1974 Employee Retirement Income Security Act (ERISA).

The members of NCB believe that the federal uniformity standard under ERISA (also known as the “preemption” standard) is a critical cornerstone to our health care system. Its hallmark feature is that it allows employers to offer uniform benefits to their employees, retirees and families without being subject to the conflicting patchwork of mandates, restrictions and costly rules that vary from state to state. This is vital not only for large employers operating in multiple jurisdictions, but also for small employers operating within a single state or locality who rely upon the predictability of ERISA’s rules to help make possible the sponsorship of health coverage for their employees.

Equally important, the federal ERISA framework makes it possible for employers to adopt and consistently apply leading edge, innovative practices to improve their employees’ wellness, address chronic diseases, reward high performing health care providers and implement numerous other vitally important strategies that directly translate into better health care for employees and families. Indeed, many of the major
innovations that have enhanced the quality and affordability of health care have been
driven by employers who voluntarily sponsor health coverage.

For many years, the American people have sent two clear messages about our health
care system. First, Americans want to see improvements in both the cost and access to
health care. And, second, Americans highly value the health benefits they receive
through their employer. The NCB believes the American people are right about both
points. We do need change to make health care more affordable and expand access to
care. Such change should not erode the part of the health care system that is working.
ERISA and its federal framework allow employers to offer the valuable benefits that
employees expect, regardless of where they live and work.

Our coalition is united in our support of the following principles:

ERISA’s federal framework must be maintained;

- Employers’ ability to offer and maintain uniform benefit plans across state and
  local lines must be preserved;
- Employers must continue to have the flexibility to determine how to best meet
  the needs of their employees and retirees;
- Reforms to the current health and retirement system must continue ERISA’s
  goals of promoting simplicity and predictability; and
- Federal initiatives should not permit States to adversely impact ERISA.

As Congress begins to consider proposals to reform our health care system, we will
work with the sponsors of any proposals that embrace and build on these core
principles. In addition, we will evaluate all proposals, from any source, by how well they
achieve these important goals.

The members of the National Coalition on Benefits urge that sensible health reform start
with the recognition of the value of our voluntary employer-based health care system
and not undermine or eliminate the federal ERISA standard that makes it possible for
employers to offer their employees consistent benefits under a single, uniform, and
successful federal framework.

Thank you again for your leadership on these vitally important issues to all Americans.

Sincerely,


Martin Reiser, Chairman
National Coalition on Benefits

cc: Members of the Senate Committee on Finance

Additional information on the National Coalition on Benefits, its membership and the importance of
ERISA in our health care system is located at www.coalitiononbenefits.org.