

May 18<sup>th</sup>, 2007

The Honorable Robert E. Andrews, Chairman  
The Honorable John Kline, Ranking Member  
Subcommittee on Health, Employment, Labor and Pensions  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Andrews and Ranking Member Kline:

We welcome the opportunity to share the views of the employer community in advance of your upcoming hearing on efforts to cover uninsured Americans. Roughly 160 million Americans are insured - primarily through the offering of voluntary employer-provided health benefits. We support efforts to expand health care coverage and access, but we strongly encourage you to recognize the importance of the Employee Retirement Income Security Act (ERISA) and the role played by its preemption clause in ensuring the ability of employers to maintain uniform national health care plans.

The states are doing significant work on the problem of the uninsured - we applaud those that are approaching this in a responsible manner working closely with all of the stakeholders to seek solutions that expand coverage without overburdening employer-sponsored plans. The uniformity across state lines ensured by ERISA preemption helps protect affordable, uniform coverage for tens of millions of Americans; we believe it is critical that states address the health care crisis in a way that does not violate the ERISA preemption clause.

ERISA provides a crucial framework for offering benefits to American workers. An important provision requires that it “shall supersede any and all State laws insofar as they may now or hereafter relate to any employee benefit plan . . .” Referred to as “the crowning achievement of this legislation” by its principal House sponsor Rep. John Dent (D-PA), the provision aims to “round out the protection afforded participants by eliminating the threat of conflicting and inconsistent State and local regulation . . .”

In a health care system that has many glaring flaws, one of the true victories since the enactment of ERISA has been the success in enabling nationwide plans to cover millions of employees in multiple jurisdictions. This is far more than just a convenience; when employers negotiate contracts with vendors using a standard approach, they have maximum leverage in ensuring the lowest possible premium costs, which greatly benefits plan beneficiaries. It also lowers administrative and compliance costs, which means that more of a company’s benefits expenses are spent on the provision of benefits to employees and their dependents than on benefit administration. These advantages would be lost if employers had to negotiate and set up separate plans to comply with the unique rules of each jurisdiction.

We look forward to working with you and your colleagues on these important issues.

American Benefits Council  
Business Roundtable  
Corporate Health Care Coalition  
The ERISA Industry Committee  
HR Policy Association  
National Association of Manufacturers  
National Association of Wholesaler-Distributors

National Business Group on Health  
National Business Coalition on Health  
National Retail Federation  
Retail Industry Leaders Association  
Society for Human Resource Management  
U.S. Chamber of Commerce