

March 5, 2010

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

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, DC 20510

Dear Speaker Pelosi and Leader Reid:

As Congress works to complete action on a healthcare reform bill, the undersigned organizations would like to reiterate our concerns about the reform bills' effective dates for numerous changes to health plan benefits and policies. We respectfully urge that the dates be extended to help minimize disruption and ensure a smooth transition for our employees, plan participants and customers.

Many provisions in both the House and Senate bills would make unprecedented and sweeping changes to group and individual health plans. For new plans, these provisions are either effective immediately or in the very near future and will require significant action by employers and health plans to achieve compliance. This includes policy and contracts revisions, IT system upgrades, modifications to employee benefit and marketing materials and development of employee and customer communications, to name just a few. Many changes will also require government regulations, state law changes, state insurance department approval and/or guidance from the Department of Health and Human Services.

To allow sufficient time to make changes necessary for compliance and avoid confusion and disruption for our employees and consumers, these provisions should be effective for plan years beginning 12 months after final regulations have been promulgated.

At an absolute minimum, the effective dates should be no sooner than plan years beginning 12 months after enactment of the legislation with a safe harbor for plan sponsors and health plans that have acted in good faith compliance with the new law. A similar compliance approach has been used with implementation of other major federal health legislation, including for example, HIPAA privacy and mental health parity requirements.

The attached document provides further detail on the scope and timing of activities required by employers and health plans to achieve compliance with the bills' health plan provisions and our recommendation to extend the existing effective dates.

Thank you for your consideration of this important issue.

Sincerely,

American Benefits Council  
America's Health Insurance Plans  
Blue Cross Blue Shield Association  
The ERISA Industry Committee  
Healthcare Leadership Council  
National Association of Health Underwriters  
National Association of Manufacturers  
National Business Group on Health  
National Retail Federation  
National Small Business Association  
U.S. Chamber of Commerce