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United States Senate

WASHINGTON, DC 20510-1306

July 13, 2006

Mr. Michael Legel
22023 Allentown Rd.
Tremont, Illinois 61568

Dear Michael:

Thank you for sharing your views on the Health Insurance Marketplace Modernization and Affordability Act (S. 1955). I appreciate hearing from you and share your opposition to this bill.

The rising cost of health in this country is a serious problem that deserves priority attention from Federal policymakers. Small businesses and their employees are particularly affected. However, I do not believe small business health plans (SBHPs), as structured by the Enzi-Nelson bill, are the way to solve this problem.

This bill proposes that SBHPs be regulated at the federal level, which would give them the authority to circumvent state laws. Under this bill, SBHPs would also have the ability to build insurance programs that are unattractive to older and more vulnerable populations, resulting in a drastically segmented market. Many experts have stated that SBHPs would lead to increased instability and higher premiums. A study released by Mercer Risk, Finance and Insurance Consulting indicated that under such proposals, fewer than 1 million of the 45 million uninsured individuals would become newly insured. The SBHP bill does have a provision that would allow insurers to sell policies exempt from state requirements for coverage only if they also sell a plan that matches a benefit plan offered to state employees of one of the five most populous states — California, Texas, New York, Florida or Illinois. Employers, however, would not be required to offer the more comprehensive plan to their workers, and I am not satisfied that this provision adequately preserves each state's ability to protect its citizens.

As you may know, S.1955 recently failed on the Senate floor. I voted against this bill. I am disappointed that, per the discretion of Majority Leader Frist, we were not allowed to offer any amendments to the legislation, which may have addressed many of my concerns and the concerns voiced by over 200 patient and health professional groups, 41 state attorney generals including Illinois' Attorney General Lisa Madigan, insurance commissioners and governors.

While I do not support S.1955, please be certain that I understand the need for more affordable health care benefits and am working with my colleagues to address this challenge. This must remain a top priority for the Congress. I am proud to be a cosponsor of the Small

Employers Health Benefits Program Act of 2006 (SEHBP), S.2510, which is based on the Federal Employees Health Benefits Plan (FEHBP). SEHBP would allow individuals to enroll in the same types of plans offered to members of Congress. This alternative enjoys broad support and is smart policy, addressing the needs of small businesses and patients alike.

Again, Michael, thank you for writing to me on this important issue. Please be certain your priorities will be on my mind as we continue address this critical health care access issue, and please stay in touch in the days ahead.

Sincerely,



Barack Obama
United States Senator