

SECURE HEALTH INSURANCE FOR SMALL BUSINESS

Support Association Health Plans

February 28, 2003

Dear Colleague:

A recent *Wall Street Journal* article makes a point of touting how some insurance companies have come up with questionable arrangements with associations in order to market health insurance to small employers. Unfortunately, this practice can lead small employers astray by providing them with health insurance coverage that is less than secure.

As the article illustrates, small businesses are so desperate to get access to affordable health care that, more and more often, they turn to fly-by-night organizations to purchase health coverage. Unfortunately, the state insurance departments that are supposed to regulate these plans have been unable to prevent fraud and abuse by unscrupulous operators. With insurance premiums sky-rocketing and small business owners searching for new options, the problem will only become more common.

We must provide a solution that expands access to coverage, by giving small businesses new options for obtaining affordable health care, and establishes tough standards to ensure that the coverage is secure.

The Small Business Health Fairness Act, which creates Association Health Plans (AHPs) are one answer. The bill will help provide health care to small businesses by providing the same economies of scale, bargaining clout and administrative efficiencies now available only to workers in large corporations and unions. The bill also contains strong new solvency standards, surplus requirements, and stiff penalties for fraud and abuse. Finally, the bill would only allow participation by *long-standing, bona fide* associations, who are in business for reason other than offering health care. The new tools contained in our bill are critical in the battle against health insurance fraud.

AHP legislation will reverse the current trend of increases in the number of uninsured Americans and provide Fortune 500-style health benefits to Main Street companies.

To cosponsor H.R. 660 please contact Matt Bassett in Rep. Fletcher's office at 5-4706, Tommy Barletta in Rep. Dooley's office at 5-3341, or Aron Griffin in Rep. Johnson's office at 5-4201.

Sincerely,

ERNIE FLETCHER
Member of Congress

CAL DOOLEY
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SAM JOHNSON
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