

July 27, 2009

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

The undersigned chambers of commerce, associations, and businesses, representing millions of employers who create jobs and provide quality, affordable health insurance to tens of millions of Americans, wish to urge caution in addressing one of the most difficult problems facing our nation today – reforming the health care system.

Collectively, we are dedicated to improving our nation's health care system, especially in terms of lowering health care costs, improving the quality of care, and making sure every American has access to affordable coverage. However, we believe that the legislation currently being considered would not improve the system, but jeopardize the parts of the system that currently work. In fact, these bills do nothing to “bend the cost curve” rather according to Doug Elmendorf, director of the nonpartisan Congressional Budget Office, the “curve is raised.”

The creation of a new government-run insurance plan is a step in the wrong direction. Employers currently suffer a significant cost-shift from existing public programs, and the program described in House legislation would significantly increase costs for every American who purchases private insurance. We do not believe that the government plan will be a fair competitor. Because of the increased costs and lack of competition caused by a government plan, employers will not be able to continue offering their current plans, which cover more than 170 million Americans.

We are further concerned with a proposal to mandate that employers either provide health insurance or pay huge fines or payroll taxes. This “pay or play” mandate is especially bad because employers are also required to pay the majority of employee premiums. Even with some exemptions, this provision will kill many jobs. Market forces and employer autonomy should determine what benefits employers provide, rather than Congress.

The business community is eager to work with Congress to reform the health care system. Businesses, as providers of healthcare benefits, continue to see health care costs rise far in excess of GDP growth or inflation. Innovative businesses have valuable outcomes to share with legislators about approaches they have developed to help drive quality and control costs. We urge Congress to focus on consensus areas that can accomplish our shared goals. Chief among these should be initiatives to improve quality and lower costs, introducing fair regulation of the insurance market, and building a robust marketplace for consumers.

We believe that responsible and constructive health reform that we all can support can be enacted this year. We call on Congress to enact reforms that improve the health system without jeopardizing those who currently have coverage.

Sincerely,