

# United States Senate

WASHINGTON, DC 20510

March 16, 2005

The Honorable George W. Bush  
The President of the United States  
The White House  
Washington, DC 20500

Mr. President:

While we debate the future of Social Security, millions of Americans face the immediate and real problem of rising health insurance premiums. More than 45 million Americans have no health insurance at all while millions of businesses struggle to keep up with annual double-digit premium increases.

Small businesses have a particular problem with insurance premiums as they do not have the purchasing power or risk distribution of large companies. You have often spoken about the need to allow small businesses to pool together. We agree and we ask that you consider our approach, which is outlined in legislation we are introducing in the Senate today.

The Small Employers Health Benefit Program (SEHBP) will enable the self-employed and small businesses with up to 100 employees to pool their risk and purchasing power, expanding their access to affordable private health insurance options for their employees.

Based on the successful Federal Employees Health Benefits Program, the SEHBP program would offer small businesses a range of benefit packages from licensed insurers. The program would be managed by the U.S. Office of Personnel Management, which has 40 years of experience negotiating with insurers. The plan would offer tax credits to small businesses to help them pay for benefits for low-income workers.

We understand you are looking toward making Association Health Plans (AHPs) exempt from insurance regulation as a way to bring down insurance premiums for small businesses. We have great concerns about exempting groups offering insurance from state health insurance regulations. It is an experiment that has already been tried – and failed. In the 1970s, massive fraud and abuse resulted from these health plans that left patients, doctors and hospitals with more than \$123 million in unpaid medical bills. The AHP legislation being considered by the House Ways and Means Committee today does not contain adequate safeguards to protect families from this happening again.

We urge you to take a look at SEHBP – an approach that would provide millions of Americans with private health insurance at a lower cost, available nationwide, with consumer protections and low administrative costs. We feel that this plan has the ability

to attract broad support in Congress, and we ask for your leadership to help us pass the SEHBP Act this year.

This bill has been endorsed by the National Association of Community Health Centers, the American Academy of Family Physicians, the Federation of American Hospitals and the American Osteopathic Association.

Sincerely,



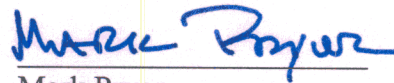
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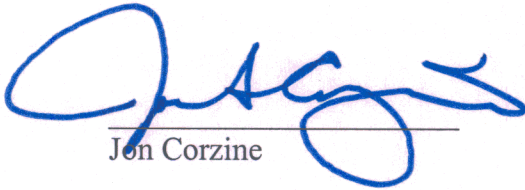
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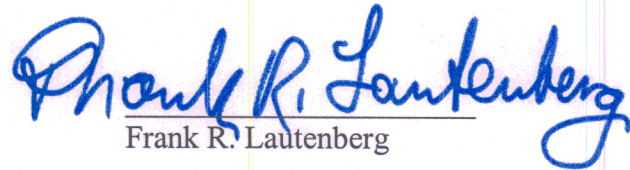
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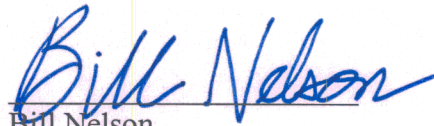
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Frank R. Lautenberg



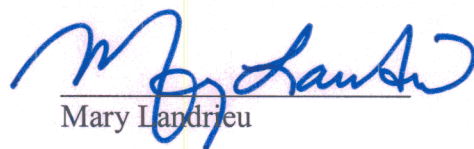
Maria Cantwell



Bill Nelson



Joseph Lieberman



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