

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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June 13, 2008

The Honorable Nydia Velazquez
Chairwoman
Committee on Small Business
United States House of Representatives
Washington, DC 20515

Dear Chairman Velazquez:

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, thanks you for your continued leadership on issues related to the growing costs of health care for small businesses and for crafting the soon-to-be introduced "Small Business Cooperatives for Healthcare Options to Improve Coverage for Employees Act of 2008 (CHOICE)."

As the costs of health insurance continue to rise, small businesses are at a disadvantage due to lack of tax incentives, pooling mechanisms, and affordable offerings. CHOICE helps address these issues and provides a new approach by using a reinsurance concept to spread risk, lower premium volatility, protect the solvency of primary insurers, and help control costs for small businesses. Actuarial estimates find that this legislation could save small businesses anywhere from 21% to 47% on their insurance costs and increase the number of insured Americans.

In addition to the Chamber's longstanding support of Association Health Plan and Small Business Health Plan legislation, the Chamber commends CHOICE as a new approach to helping small businesses. One area in which the Chamber hopes to work with you is providing some relief from costly state mandates. The unaffordable cost of health insurance is often artificially inflated by state benefit mandates that take away plan flexibility and force employers to choose between offering expensive "Cadillac" health care plans or no plan at all.

The Chamber greatly appreciates your leadership in identifying solutions to give small businesses access to affordable health insurance. We look forward to working with you on this issue.

Sincerely,



R. Bruce Josten