



Small business owners. Small business values.

September 14, 2011

To: House Energy & Commerce Committee Subcommittee on Health

Re: Urging committee members to stand with small businesses, not the insurance industry, and protect medical loss ratio rebates

Dear Chairman Pitts, Ranking Member Pallone, and members of the Subcommittee on Health,

On behalf of the Main Street Alliance, we write to express our opposition to the proposal to eliminate the minimum medical loss ratio (MLR) standards enacted in the Patient Protection and Affordable Care Act.

The Main Street Alliance is a national network of small business coalitions. We create opportunities for everyday small business owners to have a seat at the table and voice in the debate on issues that impact our businesses and our local economies. Health care costs have been a core concern for small businesses for years, and stemming the tide of skyrocketing rate increases continues to be a top priority for our membership.

The minimum medical loss ratio requirements included in the ACA will finally give small businesses a guarantee of a basic standard of value for our premium dollars, and provide rebates to business owners whose insurers fail to meet that basic standard.

As business owners, we recognize the importance of providing real value to our customers, and we want the same commitment to value from our health insurers. We believe the new MLR standards must be protected and implemented as written in current law. If anything, they should be strengthened to raise the MLR thresholds to 85 percent in the small group and individual markets and 90 percent in the large group market, targets that some insurers have demonstrated are realistic.

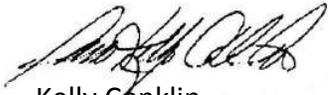
We have already expressed our opposition to proposals to remove agent and broker commissions and fees from the MLR calculation. If these fees were removed, it would wipe out a major portion of the rebates small businesses are expected to receive (the change could wipe out two-thirds of rebates in the small group market and over half of rebates in the individual market).

Overtaking the MLR requirement would do even more harm to small businesses, completely eliminating rebates to small businesses estimated to be on the order of \$300 million on premiums paid this year, according to the Department of Health & Human Services. In addition to eliminating the rebates themselves, overturning the MLR requirement would eliminate the incentive for insurers to hold premiums down, giving them back the power to rates at their whim, at our expense.

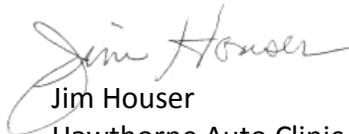
Small businesses need all the help we can get to level the playing field and make decent health coverage affordable. The new MLR requirements throw a lifeline to small businesses struggling to stay afloat with health coverage. We urge you not to take that lifeline away.

If you vote to eliminate the MLR requirement, the rollback of these rebates and the cost containment incentive they represent will be a direct blow to small businesses and a giveaway to the insurance industry. If you want to stand with small businesses, not with the health insurance industry, you should vote to protect the MLR requirements and keep those rebates coming to small businesses who stand to benefit.

Sincerely, on behalf of the Main Street Alliance network,



Kelly Conklin
Foley-Waite Associates, Inc.
Bloomfield, NJ
Main Street Alliance Steering Committee



Jim Houser
Hawthorne Auto Clinic
Portland, OR
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