November 20, 2013

The Honorable Bill Cassidy
U.S. House of Representatives
Washington, DC 20515

The Honorable Phil Roe
U.S. House of Representatives
Washington, DC 20515

Dear Representatives Cassidy and Roe:

The U.S. Chamber of Commerce, the world’s largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America’s free enterprise system, thanks you for introducing H.R. 3462, the “Self-Insurance Protection Act.” This legislation would ensure that the definition of health insurance coverage will not improperly encompass certain medical stop-loss insurance used by self-insured health plans and plan sponsors of group health plans as a form of financial protection.

Many businesses decide to offer their employees health benefits through self-insured plans. Employers that self-insure, particularly small to mid-sized businesses, purchase stop-loss insurance to protect the plan and plan sponsor in the event of unexpected catastrophic losses. H.R. 3462 would guarantee that employers may continue to have this effective option of providing quality health benefits by limiting further regulation of self-insurance. Providing this clarification to the law will make certain that federal regulators cannot redefine stop-loss insurance as traditional health insurance.

The U.S. Department of Health and Human Services has shown interest in the possibility of regulating stop-loss insurance which raises concerns that future regulations may make the administration of self-insured plans more burdensome and expensive for employers who choose this option. In addition to making self-insurance coverage less appealing, including stop-loss insurance in the definition of health insurance coverage could effectively force many self-insured entities using stop-loss insurance to discontinue their plans. In light of this tumultuous and highly transitional time for our country’s private sector health insurance system, it is critical to ensure that businesses continue to have a variety of accessible options to offer their workers quality health care coverage.

The Chamber continues to support health care reform that builds on and reinforces the employer-sponsored system and looks forward to working with you and your colleagues to enact this important legislation to protect the American workforce and the businesses that drive our nation’s job creation.

Sincerely,

R. Bruce Josten