

Dear Senator/Representative:

Like the rest of the country, (state name) has been hard hit by rising health care costs. As Governor, I am committed to seeking effective solutions to address this critical issue. However, I am extremely concerned that Congress will pass legislation that will exempt **Association Health Plans (AHPs)** from state regulation (H.R. 660/S. 545). By having this special exemption, AHPs would severely undermine the goal of promoting greater health care access and affordability.

I strongly encourage you to oppose this AHP legislation because it would only hurt our state by:

- Under this proposed legislation, unregulated out-of-state AHPs could operate without being required to comply with the health care safeguards (State name) has established, such as consumer protections, prompt payment rules for providers, strong financial standards to assure that insurers remain solvent, and rules that assure that all employers have access to coverage.

Because AHPs would be exempt from these state health care protections, our constituents would be subject to unscrupulous marketing tactics, unlimited premiums and costly unpaid medical bills as a result of plan failures. State officials would not have the authority to ensure that AHPs live up to their promises to provide affordable health coverage for all, nor would (State name) have the authority to intervene on behalf of consumers when AHPs failed to do so.

- Making coverage unaffordable for all but the healthiest groups. Although proponents argue that AHPs would lower the cost of health insurance for small businesses, the non-partisan Congressional Budget Office analysis found that premiums would increase for 80 percent of workers in small firms and as many as 100,000 of the sickest workers would lose coverage altogether.

These federal AHPs would be exempt from many of our state rules that limit how much and how often premiums can be increased. Out-of-state AHPs

would be exempt from state rules that limit premiums for new groups with sick employees – effectively excluding them from coverage. The ability to avoid high cost groups initially and force employers to drop coverage when they have high costs will threaten health security for the most vulnerable groups.

- Exposing patients to fraud, unpaid medical bills, and loss of coverage. AHPs are the next generation of Multiple Employer Welfare Arrangements (MEWAs), which caused massive problems for the states in the 1980s. AHPs would recreate an idea that resulted in massive fraud, insolvencies and bankruptcies and left over 400,000 consumers with \$123 million in unpaid claims. States were left holding the bag in trying to resolve the problems caused by these massive failures. Considering (State name) budget restrictions, it would be virtually impossible for our state to handle the millions of dollars in unpaid claims that would result from an AHP failure.

We strongly urge you to recognize the critical role our state plays in making health coverage affordable and accessible for our residents. Help protect (State name) by opposing this legislation.

Sincerely,