

July 12, 2017

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
Washington, DC 20510

The Honorable John Cornyn  
Majority Whip  
United States Senate  
Washington, DC 20510

The Honorable Dick Durbin  
Minority Whip  
United States Senate  
Washington, DC 20510

Dear Majority Leader McConnell, Minority Leader Schumer, Majority Whip Cornyn, and Minority Whip Durbin:

On behalf of the nation's state insurance commissioners, the primary regulators of U.S. insurance markets, we write today to express our concerns about a specific provision of the Better Care Reconciliation Act (BCRA) that would create Small Business Health Plans.

Unlike previous versions of this legislative language, Section 139 of the BCRA would create ~~certified~~ Small Business Health Plans that are not required to meet state certification requirements. In addition, even though the Plans must be fully insured, the preemption language is very broad and appears to block the ability of states to preserve important consumer protections, effectively oversee the plans, or ensure a level playing field.

While we support the intent of the authors to provide more options for small businesses, we warn that, as written, this language would lead to significant disruptions in the small group marketplace and higher premiums and fewer coverage choices for many small businesses.

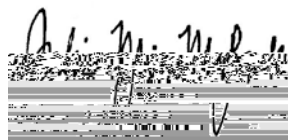
State regulators are in the best position to protect consumers and promote competitive marketplaces. We oppose the language currently in Section 139 and we urge you to protect the ability of states to determine whether Small Business Health Plans will be allowed to operate in their states and under what requirements they may operate.

We support a broader approach to the existing ~~problems~~ that addresses healthcare spending, allows more innovation, and permits more state flexibility to bring real relief to small businesses. The federal government and the states need to work with healthcare providers, insurers and consumers to implement effective reforms that will curb spending and make insurance more affordable to small businesses.

Sincerely,



Theodore K. Nickel  
NAIC President  
Commissioner  
Wisconsin Office of the  
Commissioner of Insurance



Julie Mix McPeak  
NAIC President Elect  
Commissioner  
Tennessee Department of  
Commerce & Insurance

Handwritten signature of Eric A. Cioppa in black ink, with a grey rectangular redaction box covering the bottom portion of the signature.

Eric A. Cioppa  
NAIC Vice President  
Superintendent  
Maine Bureau of Insurance

Handwritten signature of Raymond G. Farmer in black ink, with a small, colorful, pixelated graphic element at the end of the signature.

Raymond G. Farmer  
NAIC Secretary/Treasurer  
Director  
South Carolina Department of Insurance