

STARTOVER!

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February 22, 2010

An Open Letter to the President of the United States

The need for health care reform remains acute, despite the political difficulties of the current debate. The business community has been long committed to advancing legislation that reduces the cost of health care and coverage for both public and private players, businesses of all sizes and individuals from every walk of life. We hope that this week's bipartisan summit meeting will enable a fresh approach that can conquer the partisan divide and regain the confidence of the American public.

Central to the discussion among summit attendees must be how reform ideas affect the ability of our nation's economy to recover and businesses to create jobs. Even in ideal economic times imposing costly regulations and taxes on business is a bad idea. A competitive global environment and an already burdensome tax and regulatory structure offer enough challenges for businesses of all sizes to invest and create jobs. We should be looking for ways to streamline and modernize these structures, rather than layering additional costs on job creators. Moreover, the dismal state of our nation's fiscal house requires that proposals be weighed against the threat that large-scale spending poses to long-term economic stability and competitiveness.

Such circumstances call for practical approaches to health care reform – ones that do not burden taxpayers or businesses with new costs or future liabilities that could impair economic recovery, and long-term economic growth.

Americans want solutions that are equitable and do not favor one group or constituency over another. They desire more competition and choice in coverage options, and again, these solutions must *lower* costs. With that in mind, we suggest specific consensus strategies to reduce the cost of care and thus increase coverage now and make possible future reform progress as well. These strategies (the precise details will be critical) include:

Insurance Market Reform – the individual and small group markets are in need of national reforms to help address the cost and availability of coverage. Care must be taken to avoid precipitous rate increases and to ensure timely enrollment.

Wellness/Preventative Incentives – the most effective spending for health care is primary and preventative care. Financial incentives can help encourage these healthier behaviors.

Pay-for-Performance – piecemeal (fee-for-service) reimbursement increases costs and reduces accountability in health care. Changing how we reimburse providers, increasing care coordination and encouraging team-based medicine will both lower costs and improve the quality of care.

Health IT – advancing the adoption of health information technology infrastructure, secure electronic medical records and the electronic integration of our health care system is vital to reducing waste and dangerous fragmentation of care.

Tax Parity – health insurance premium costs should receive comparable tax treatment whether purchased by a self-employed individual, a small business or large employer, regardless of industry or union status.

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Exchanges/Multi-State Purchasing – pooling purchasing power and creating administrative efficiencies has enjoyed bipartisan and small business support for many years. Allowing for greater competition across state boundaries (whether based on national plans or state licensed plans) can generate additional cost savings.

Medical Malpractice Reform – civil liability has proven to be an inefficient means of reducing medical errors and has encouraged providers to order unnecessary extra procedures (i.e. defensive medicine) to guard against potential liability. Although views vary greatly on this issue, alternatives such as special health care liability courts can help create greater stability and predictability.

While many of these strategies are present in whole, in part or in name in the legislation previously passed by the House and Senate, our groups continue to oppose those measures due to the inclusion of vast employer mandates, free rider penalties, high dollar excise taxes and other new taxes on businesses and individuals. The precise legislative details will be crucial in determining our support for specific provisions or subsequent legislation. We urge you to increase the transparency of subsequent deliberations. Backroom deals and special interest carve outs will not increase public confidence in these efforts.

We strongly urge you to avoid the punitive approach taken by the House and Senate-passed bills and instead focus on a fresh approach that places top priority on immediately reducing the cost of care and coverage for all.

We hope that the summit creates a foundation for the development of an authentic bipartisan approach which reflects the strategies discussed above. Health care reform which gets it right is vital to job creation and long term economic growth.

Sincerely,



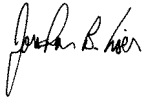
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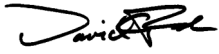
Stephen E. Sandherr, Chief Executive Officer
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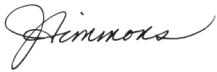
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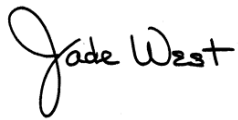
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