

THE HEALTH CARE CHOICE ACT IS BAD FOR CONSUMERS

- The Health Care Choice Act, H.R. 2355, would reward insurance companies that obtain their license in a state with the fewest consumer protections and least amount of oversight.
- This bill would disadvantage higher-risk individuals and remove critical consumer protections.
- The bill would create an unlevel playing field, where some of your constituents are protected by your State's laws and some are not.
- This bill would undercut the authority of your governor, state legislators and insurance regulator.

NAIC Concerns:

- H.R. 2355 would create a "race to the bottom" by allowing an insurance company to choose a single State in which to license its individual health insurance product and then sell it in any other State. Under such a system, insurers would be greatly rewarded for licensing their individual products in States with less regulation and fewer personnel to oversee what could be a large influx of new products.
- H.R. 2355 would undermine important state consumer protections, such as: limits on preexisting condition exclusions, which allow people in need of ongoing care (such as diabetes or heart disease) to switch insurance; limits on rate increases and rate disparity; reinsurance mechanism that make insurance more affordable; and access to specialists and emergency care.
- H.R. 2355 would restrict the ability of your state insurance commissioner to assist their own constituents, leaving consumers to seek assistance from a distant state. While that may be a theoretical possibility, in the real world of tight state budgets it will be virtually impossible to assist a nonresident consumer in another State.
- H.R. 2355 would disrupt the fragile individual health insurance market, as properly licensed insurance companies would be forced to compete on an unlevel playing field. Specifically, small and regional insurers would be disadvantaged by large national companies entering States with inferior products and unregulated rates.

Conclusion:

States continue to experiment with other strategies for making health insurance more affordable for individuals, including: high-risk pools, reinsurance, tax credits, subsidies, basic health plans, and programs to promote healthier lifestyles and manage diseases.

As always, States are the laboratories for innovative ideas. It is critical that the federal government and the States work closely with healthcare providers, insurers and consumers to implement true reforms that will curb spending and make insurance more affordable.



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JANUARY 2006