

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
GOVERNMENT AFFAIRS

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November 5, 2009

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, strongly opposes H.R. 3962, the "Affordable Healthcare for America Act," because it would make health care more expensive, create onerous new burdens for businesses, greatly increase the government's involvement in the health sector, and implement a vast array of new taxes. The Chamber supports reforming the health care system; however, this bill would not accomplish successful reform, but would in fact make the current system worse.

Currently, employers voluntarily provide health coverage to over 170 million Americans and spend over \$500 billion per year on those benefits. The Chamber urges Congress to preserve the flexibility for employers to design and offer benefits that meet the needs of their employees. Mandating benefits, as the House bill does, would have detrimental effects on employers' ability to provide benefits. The "pay-or-play" mandate on all but the very smallest employers would force them to provide highly mandated health plans or face a new two to eight percent payroll tax. This would cause businesses to increase outsourcing, lower wages, and eventually layoff low income workers.

The bill contains a new government-run health insurance plan that would raise costs for businesses who are trying to do the right thing by offering health benefits to their employees. The legislation specifically states that the "public option" will pay below market rates, which guarantees that costs will be shifted to the private sector. This public option may also destabilize the insurance market and lead the country on a path toward government-run health care, because it is impossible for the government to compete on an equal playing field with the private sector. The Chamber opposes this new government program.

Further, this bill greatly increases government spending by creating subsidies that cost \$605 billion over the first ten years and expanding existing entitlements by another \$425 billion – irresponsible spending that, even with the more than \$560 billion in new taxes and slashing \$385 billion from the Medicare program, would increase the deficit and lead to even higher taxes in the future. While tax increases of this magnitude are always questionable, it is particularly irresponsible in the current economic environment.

In addition, the bill jeopardizes the ERISA structure that allows employers to insure more than 170 million Americans in numerous ways. Particularly harmful provisions would in effect lock employers into retiree health plans they may not be able to afford, subject employer plans to

new government mandates and bureaucracies after a grace period, and give broad authority to state attorneys general to litigate against insurers and employer-sponsored plans. These provisions, along with others aimed at discouraging self-insurance, threaten the successful plans that cover so many employees today.

The Chamber strongly urges you to support real health reform and oppose H.R. 3962.  
**The Chamber will consider votes on, or in relation to, this issue in our annual *How They Voted* scorecard.**

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

R. Bruce Josten