

What's News In Insurance

NAIC Testifies on Small Business Health Insurance Options

WASHINGTON, D.C. (Oct. 25, 2007) — Speaking today on behalf of the National Association of Insurance Commissioners (NAIC), Pennsylvania Acting Insurance Commissioner Joe Ario testified before the U.S. Senate Committee on Finance regarding strategies aimed at expanding health insurance coverage for small businesses.

Commissioner Ario emphasized the importance of cost-containment strategies when addressing the issue of helping small businesses provide health insurance coverage to their employees.

“Health insurance reform will not solve [the problem of increasing health care costs] since insurance is primarily a method of financing health care costs,” Ario testified. “Nevertheless, insurers do have a vital role to play in reforms such as disease management, enhanced use of information technology, improved quality of care, wellness programs and prevention, and evidence-based medicine—all of which have shown promise in limiting the growth of health care spending. Whatever is done in insurance reform should be done in a manner that is consistent with sound cost control practices.”

Commissioner Ario also discussed several approaches to helping small businesses provide coverage to their employees, including multi-state pooling proposals, expanding the small group health insurance market to include individuals and the self-employed, and the use of standard benefit packages. In each of these areas, he stressed the need for cooperation between state and federal policymakers.

“States cannot solve the health care crisis alone,” he said. “But neither can the federal government go it alone. In this context, the Congress should support efforts like S. 325, the Health Partnership Act, that provide funding for state initiatives and establish procedures for waiving federal requirements, such as certain ERISA provisions, that impede state innovation. Even more important is to carefully consider the impact of any new federal reforms on the states’ ability to be effective partners in solving our health care crisis.”

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