

**Any Healthcare Reform Must Reduce Costs and Support Employers that Provide Health Insurance to Their Employees**

HARDI cannot support America's Affordable Health Choices Act (H.R. 3200) as it is currently written. We believe that there are simpler and less expensive methods of reform that would not punish employers who provide health insurance. HARDI is advocating these principles for the most effective and inexpensive means to true healthcare reform:

- **Major reform components should be broken down into separate bills, considered individually, and moved through the process with enough time for a thorough vetting by all interested parties.**
- **Businesses should be allowed to pool together through trade associations for the purpose of buying health insurance, which would necessitate being able to purchase insurance across state lines.** 98% of responders to a recent survey of HARDI members believe that this would allow small businesses equal access to the same low cost, high quality insurance products that large businesses are able to buy. This would not require massive federal funding like co-ops would, and would encourage more and better employer-provided coverage.
- **Over one third of HARDI distributor members have branch locations in more than one state so we could not support any reform legislation that would undermine or weaken ERISA.** Rather, we believe a vital key to reducing health insurance costs and increasing competition is to make ERISA unnecessary by eliminating state line barriers for all insurance purchasers.
- **Employers should not be discouraged from providing health insurance benefits to their employees.** An estimated 160 million Americans currently get their health insurance through their employers and 80+% of them are happy with their coverage. 97% of HARDI members offer group health coverage and 61% pay more than 8% of their payrolls in health insurance premiums. There should be no incentive for them to drop those plans and force all of their employees to seek other options.
- **The tax deductibility of employer provided health insurance should be maintained and expanded to cover individually purchased policies.** 89% of HARDI member companies would alter or eliminate their insurance programs if the tax-deductibility of that expense was removed.
- **The government should not mandate what insurance companies will cover.** 95% of HARDI members believe that individual purchasers should decide what their insurance policy will cover rather than allowing the government to control that decision, and 42% of HARDI distributors believe their group insurance plan's uniqueness is a differentiator when recruiting potential employees.
- **Healthcare reform should NOT be financed by new government taxes.** 81% of HARDI member companies believe that those making over \$280,000 per year should not have to pay additional taxes to fund reform largely because over half of our member companies file as Sub-Chapter S Corporations, Sole Proprietorships, or LLCs.
- **A new plan should allow for expanded use of consumer driven vehicles like health savings accounts.** 31% of HARDI member companies currently offer some type of consumer driven plan. While relatively new, these plans have the potential to significantly impact future health care costs by encouraging people to become smarter consumers and to participate in preventative care.
- **Any overhaul of our healthcare system must include a re-examination of medical malpractice law.** 92% of HARDI members believe that any bill must include tort and malpractice reform so that doctors can focus on providing the best possible medical care, not on minimizing liability in case something goes wrong.

**We are anxious to support real healthcare reform following these simple principles. HARDI urges you to oppose the current legislation and advance less costly, more effective reform policy.**