

ONE HUNDRED ELEVENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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July 20, 2009

Investor's Business Daily
ATTN: IBD Editorials
Los Angeles, CA 90066

To the Editor:

Your July 16, 2009, editorial, "It's Not an Option," was factually incorrect and highly misleading. The editorial incorrectly states that "those who currently have private individual coverage won't be able to change it ... Nor will those who leave a company to work for themselves be free to buy individual plans from private carriers." The editorial also falsely claims that the bill "will kill the market for private individual coverage by not letting any new policies be written after the public option becomes law."

America's Affordable Health Choices Act will reform the individual health insurance market. It will create a transparent insurance marketplace that protects consumers and provides them with choices among quality, affordable health care plans. Insurers will no longer be able to exclude individuals from coverage based on pre-existing conditions and will be prevented from selectively refusing to renew coverage or charging different premiums based on an individual's need for health care.

This new marketplace is called the Health Insurance Exchange. Effective in 2013, when the Exchange begins operation, health insurers may only offer individual coverage that meets insurance market reform standards (e.g., no preexisting condition exclusions). They can continue to operate grandfathered individual health insurance policies that do not meet these reform standards for existing policyholders, but they can't continue to market those policies to new customers.

Those who leave a company to work for themselves will be free to buy individual plans from private health insurers that elect to participate in the Exchange. The bill will not kill the market for private individual coverage because new policies can and will be written after the health insurance reforms become effective. These plans will be offered along with a choice for a public option.

Section 102, the provision referred to in the editorial, speaks to what happens in the individual market outside the Exchange: individuals can keep the grandfathered policies they have for as long as they want to keep paying the premiums and the insurer continues to offer the policies. This includes HSAs (high-deductible plans). Having a grandfathered policy in force meets the individual responsibility requirement.

If an individual no longer wants to keep the grandfathered policy and wants another individual policy, he or she will have the choice of private or public insurance coverage that meets the insurance market reforms within the Exchange. In short, under the legislation, consumers will be free to purchase coverage from private insurers, but private insurers will not be allowed to sell new policies that do not meet the minimum reform standards for consumer protection.

America's Affordable Health Choices Act is reform in its truest sense: expansion of access to health care, improvements in the quality of health care services, better public health outcomes, and control of costs for the benefit of all Americans. This legislation fulfills our commitment to deliver what the American people voted for last November: access to affordable, quality health insurance coverage for all Americans.

Sincerely,

A handwritten signature in black ink that reads "Henry A. Waxman". The signature is written in a cursive, slightly stylized font.

Henry A. Waxman
Chairman