



As most of you have probably heard, the House of Representatives passed the Senate health reform bill last night, as well as the reconciliation language making changes to that bill. The vote was very close with 38 Democrats voting “no” alongside all of the Republicans on the Senate bill and 33 Democrats voting "no" on the reconciliation "fix" bill. You can see how your member of Congress voted on the Senate bill [here](#), and I hope you will take the time to [thank those who voted "no"](#) for their courageous effort.

The good news is that agents and brokers will be very much a part of a reformed health insurance system moving forward. We are still concerned about the minimum loss ratio provisions, which would take effect in 2011, and their impact on agents and brokers as well as the likelihood that they would reduce the ability of insurers to implement innovative programs for health care cost containment. However, we are working on changes and/or a delay to the medical loss ratio provisions as part of the reconciliation process. We will also work with the National Association of Insurance Commissioners (NAIC), which is charged by the legislation with crafting the definitions that will govern the medical loss ratio requirements, as well as with the carriers on the implementation of those provisions over the next year, to hopefully minimize their effect on the private market.

The issue of cost containment is critical, and the bad news is that this bill does practically nothing to reduce the cost of health care, which is the ultimate driver of health insurance costs. We will continue to [voice this message](#) on behalf of our members and their clients for whom affordability is the most critical factor.

The next step will be for the Senate to take up the reconciliation language, which we anticipate they will begin tomorrow. In the meantime, the Senate bill has now been passed by both the House and Senate, which means it will become the law of the land as soon as it is signed by the President. Passage of the reconciliation bill in the Senate could be completed this week if no changes are made to the House language, or it could stretch on for weeks if the Senate makes changes that must go back to the House for a final vote. We will, of course, keep you informed of new developments, and will be providing a specific revised timeline on how this will affect you and your employer clients, based on what was passed last night in the reconciliation bill, in the next few days.

In the meantime, we need to address what is in the Senate bill now, and we have prepared two documents we hope you will find helpful. One is our [chart](#) showing the Senate bill provisions and what was included in the reconciliation measure, though we ask that you keep in mind that changes proposed in the reconciliation bill are still subject to change. We also have a [chart](#) we developed some time ago showing the implementation timeline differences between the House and Senate bills, though only the Senate bill applies now. Again, subject to what happens in the Senate with the reconciliation measure, there may be some changes in the Senate bill timeline based on what is included in the final reconciliation language. Feel free to share these documents with your clients or others who may find them helpful in understanding how to prepare for upcoming changes.

Finally, I want to assure you that even though we are not pleased that this bill passed, it is much better than what was originally proposed. It includes many positive improvements suggested by NAHU, including expanded agent/broker provisions, and it does not include a public plan option. One of the very positive items included in the Senate bill was that significant authority was given to the NAIC in a number of areas to develop uniform guidelines relative to market reform. We have worked closely with the NAIC for many years and expect to be included in their development of these guidelines. The magnitude of the legislation will also require extensive regulatory action from the Department of Health and Human Services, the Center for Medicare and Medicaid Services, the Department of Labor, and the Department of the Treasury. NAHU has always been very involved in the regulatory process and we will be working extensively with the agencies as they develop the 'rules of the road' for implementation.

If you have specific implementation questions, please e-mail them to reformimplementation@nahu.org. I would also like to ask that you identify any particular issues from a practical perspective that will make the timelines unworkable, or any other information relative to practical application of the new rules. This information will be especially valuable in our work with the NAIC and agencies as they develop regulations.

Thank you for your support of NAHU, and the invaluable contribution you make to your communities all over the United States. Your role in getting and keeping people insured is noticed by many in Congress, which is why you have been included as an important part of the process moving forward.

