



NEWS RELEASE

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Federal Government Puts Pressure on Insurance Commissioner's Association; Seeks to Eliminate Small Business Health Insurance Options

CCHF States Government Attempting to Force More People into PPACA Exchanges

Key Facts:

- In an attempt to reduce market competition, three federal agencies asked the National Association of Insurance Commissioners (NAIC) to increase the level at which self-insured businesses can use stop-loss insurance coverage to cover high-cost medical expenses for individuals from \$20,000 per year to \$60,000 per year.
- The increase would dissuade small businesses from using a self-insurance model of medical care coverage in which the business creates its own fund to cover employee health expenses to a particular point and then relies on stop-loss insurance to cover the remaining expenses above that point. Self-insurance models of coverage are not subject to many requirements of the Patient Protection and Affordable Care Act (PPACA).
- The Citizens' Council for Health Freedom (CCHF) states that the federal push for changes to the current stop-loss model are yet another attempt to eliminate market competition and force businesses – especially small businesses that are using and now considering this model – into the PPACA Exchanges.

ST. PAUL, Minn. – *The Citizens' Council for Health Freedom (CCHF, www.cchffreedom.org)* is voicing concern and criticism for proposed changes to stop-loss models of health insurance that small businesses can use to provide employee coverage. Rather than pay premiums to a health insurance company, many businesses instead use a self-insurance model, creating a fund to pay for minor and non-catastrophic employee health services and reserving actual insurance claims for major medical issues that exceed \$20,000 – the current NAIC threshold that claims must meet before stop-loss insurance kicks in.

The National Association of Insurance Commissioners (NAIC), under pressure from three federal agencies – the Department of Health and Human Services, Department of the Treasury, and the Department of Labor -- is considering a change to the minimum threshold, called the

attachment point but better understood as a deductible, that must be met before stop-loss insurance would pay a claim. **The move currently under consideration would increase the minimum attachment point from \$20,000 per employee to \$60,000, making it more expensive for small businesses and making the stop-loss insurance model less attractive. It appears the goal of the three federal agencies is to add more healthy employees to the PPACA Exchange to drive down the cost of insuring those with pre-existing conditions who will be covered by the Exchanges.**

“The federal agencies and their NAIC proponents aim to prevent small businesses from purchasing a viable and less costly insurance solution. It appears that they want to force employers to drop their healthy employees into the government exchanges to cover the cost of those with pre-existing conditions through redistribution of premiums,” said Twila Brase, co-founder and president of CCHF. “The agencies are trying to eliminate other options. Small businesses should continue to have the right to self-insure at current attachment point levels. If America is to remain a free-market economy, we cannot let federal agencies eliminate market choices to push Americans into their government exchanges.”

Recently, the NAIC narrowly voted against changing the minimum attachment points for stop-loss insurance, but the organization has commissioned a report to examine the potential impact of small business self-insurance on the small group market that begins in 2014. If the report determines that small group market coverage will be substantially impacted, then NAIC could try again to increase the stop-loss attachment point to discourage small businesses from self-insuring.

“This is just one more example of how the federal government wants complete control over health care,” said Brase. It shows they are willing to run roughshod over the free market to do it. Small businesses should retain the right to self-insure. The Exchange is big government and no one should be forced into it, with its limited choices, higher costs, and no privacy.

The Citizens’ Council for Health Freedom provides extensive research and resources for individuals that want to better understand the Patient Protection and Affordable Care Act – also known as PPACA – and the potential impact on medical care and insurance coverage. For more information, citizens can visit www.cchfreedom.org.

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To book Twila Brase, President of the Citizens’ Council for Health Freedom, for an interview, contact Deborah Hamilton at dhamilton@hamiltonstrategies.com, 215-815-7716 or 610-584-1096.

Twila Brase is president and co-founder of the Citizens’ Council for Health Freedom. She has been called one of the “100 Most Powerful People in Health Care” and one of “Minnesota’s 100 Most Influential Health Care Leaders.” The Council’s efforts have stopped government-issued treatment directives, added informed consent requirements for access to patient data and defeated a proposed Health Insurance Exchange. Brase’s daily radio commentary, Health Freedom Minute, is a 60-second radio address on pressing health care issues. She has been interviewed by CNN, Fox News, Minnesota Public Radio, NBC Nightly News, NBC’s Today Show, NPR, New York Public Radio, the Associated Press, Modern Healthcare, TIME, The Wall Street Journal, The Washington Post and The Washington Times, among others.