



July 15, 2009

As lawmakers work to address the healthcare affordability crisis facing our country, our organizations are writing to urge you to remember that our nation's small businesses and the self-employed share a problem that plagues all of our members: the soaring cost of healthcare. Similarly, our members share the strong desire to enact reforms that improve access and affordability for themselves, their employees and their families.

For too many small business owners, healthcare is one of their fastest growing and most unpredictable costs. Since 1999, health insurance costs for small firms have increased 113 percent. In spite of the increases, the ever-escalating cost does not correlate with increased healthcare benefits. Instead, employees in our nation's smallest firms pay an average of 18 percent more in health insurance premiums for the same benefits as the largest firms.

Congress can take immediate action to increase access to quality, affordable health insurance. As both purchasers and consumers of care, small businesses and the self-employed believe reform should achieve at least four goals:

- ✓ Instituting insurance market reforms that increase access, expand choice, and spur competition for private insurance;
- ✓ Creating marketplaces that provide greater transparency and efficient approaches for purchasing insurance;
- ✓ Providing equity in tax treatment – regardless of how or where insurance is purchased; and
- ✓ Improving affordability and providing for sustainable cost containment by eliminating wasteful spending in the overall healthcare system.

While our organizations and the members we represent agree that the status quo is unsustainable, it is critical to emphasize that not just any reform will do. As the country's largest, oldest and most respected small business associations, we are dedicated to bringing the kind of reform small businesses truly need and will support reforms that improve, rather than worsen, the current situation for our nation's job creators. During these challenging economic times, we are especially concerned about employer mandates, including those veiled as pay-or-play and payroll tax approaches. These tactics will seriously impair the capacity of small businesses to create jobs – and would do so at the very moment the country struggles to climb out of a deep recession. Some studies suggest that an employer mandate would result in roughly 1 million lost jobs occurring in the small business community, creating even greater economic harm to our country.

Congress can provide tools to create a competitive, innovative healthcare system that brings private, affordable coverage within reach of all Americans. That system can be created by instituting meaningful reforms that both preserve and promote the viability of America's entrepreneurs. We are eager to work with you and your colleagues and are hopeful that the policy priorities put forth in the healthcare reform debate will reflect the priorities of America's job creators.

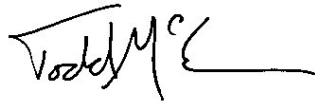
Sincerely,



Robert Hughes
President, National Association for the Self-Employed



Dan Danner
President, National Federation of Independent Business



Todd McCrackin
President, National Small Business Association