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General Comment

August 5, 2010

Office of Consumer Information and Insurance Oversight
Department of Health and Human Services
Room 445-G Hubert H. Humphrey Building
200 Independence Ave. SW
Washington, DC 20201

Re: OCIIO-991-IFC, The Interim Final Rules for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Affordable Care Act

On behalf of the Society for Vascular Ultrasound (SVU), I appreciate the opportunity to comment on the Interim Final Rules regarding grandfathered health plans under the Patient Protection and Affordable Care Act. SVU is a section 501(c)(3) individual non-profit organization of more than

4,600 professionals in the vascular ultrasound profession, including vascular technologists / sonographers, vascular physicians/surgeons, vascular nurses and other allied health professionals throughout the United States. Our members provide vascular ultrasounds exams to diagnose and treat various ultrasound diseases. These ultrasound exams are done in independent vascular ultrasound labs, doctor offices, and also in hospitals.

Formed in 1977, SVU is a small non-profit organization with only 4 full-time employees and it has the same obstacles to obtaining good, affordable health insurance coverage confronting small businesses in general. SVU is annually captive to a small number of health insurance providers, and does not have the economic clout of larger enterprises. While we have limited health care plan options, our annual health plan premiums have regularly increased by 25% to 30% because of our small number of insured's.

SVU does not have the resources or ability to self-insure as a means to control our health insurance costs and benefits. Thus, SVU will greatly benefit from the expanded options for health insurance that will be available beginning in 2014 through the Exchange. The Exchange will allow a small organization, such as SVU, to benefit from the economics of pooling that is not currently available to us.

However, because the benefits of the Exchange will not be realized until 2014, SVU will continue to experience annual health plan cost increases and lack of control over actual coverage until 2014. As such, the grandfathering of our existing health plan coverage is extremely important, especially prior to the establishment of a working Exchange system.

We are greatly concerned that the grandfather provisions outlined in the Interim Final Rules are too restrictive and will cause SVU to lose the grandfathering we expected. If forced to consider options of a non-grandfathered plan before we have the benefit of an Exchange, the SVU Board of Directors is concerned that SVU may be priced out of the market and may even have to drop health coverage for our 4 FT employees – something we do not want to do, and a bizarre result given the intent of health care reform.

Because SVU is small in terms of total numbers of employees, and because we generally cannot self-insure, we are often at the mercy of health insurance plans sold by private carriers, which annually substantially increase our health care plan premiums. As such, simple changes to SVU's current health care plan with Aetna will be beyond SVU's control and can cause our health care plan to lose grandfathered status. And since the Exchange is not currently in place, SVU anticipates that the prospect of finding new affordable insurance that meets the new requirements of the Patient Protection and Affordable Care Act is problematic at best. Further, in order to control costs so that health insurance can be purchased for our 4 FT employees, SVU often needs to work with our current insurance carriers to adjust copays and cost sharing to the extent we can in order to afford coverage, especially in the current economic environment.

SVU is very concerned that the Interim Final Rules as currently drafted may force us to make the difficult and undesirable choice of canceling health care coverage if grandfather status is revoked, especially before the Exchange is in place. This is a very real concern to SVU.

SVU would strongly suggest for the transition period before the Exchange is established in 2014, that small sized employers like SVU be allowed to make cost saving changes to copayments and cost sharing, provided we do not reduce the per-employee amount we pay for health insurance. This could help SVU adjust and preserve coverage in anticipation of greater reform and options that will occur beginning in 2014. We also suggest that small sized employers like SVU be allowed to change insurance carriers prior to 2014 and have our health care plan treated as a grandfather plan, provided we do not reduce the per-employee amount we pay for insurance. This would allow SVU to maintain the current level of coverage for our 4 FT employees, but reap the benefit of a less expensive plan prior to the implementation of the Exchange.

Thank you for this opportunity to express the views of the Society for Vascular Ultrasound (SVU) on this important issue.

Sincerely,

Steve Haracznak
Executive Director