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**Obama Administration Takes Step in Wrong Direction with Proposed Health Insurance Exchange Rule**

*Statement by John Arensmeyer, founder and CEO of Small Business Majority, regarding a rule proposed by the Department of Health and Human Services to delay requirements for small business health insurance exchanges*

The Department of Health and Human Services proposed a rule today to delay critical requirements for small business health insurance exchanges set to open next year. The proposed rule—which would stall requirements that exchanges allow employees to choose among multiple insurance carriers, and that exchanges provide a key administrative function known as “premium aggregation” that simplifies the payment process—is a major letdown for small business owners and their employees looking forward to robust, competitive exchanges in 2014. But it’s not too late to fix it.

We understand the proposed rule would only delay employee choice and simplified payments for one year. However, both of these are key in distinguishing the exchanges from the outside health insurance market, which is why we strongly advise against the finalization of these rules.

Our opinion [polling](#) reveals the vast majority of small employers believe allowing employees to choose among multiple carriers is an important element of the healthcare marketplaces. Scientific polling we released in 2012 found that in California and Oregon, two of the 18 states set to open robust state-based marketplaces next year, small employers planning to offer health benefits widely support exchanges offering choice: 67 percent of those in California and 63 percent in Oregon want their employees to be able to choose between multiple insurance carriers.

By including employee choice and a simplified, employer-friendly billing process in the health insurance exchanges, the Affordable Care Act can reverse a longstanding market trend that has left small employers on unequal footing for too long. These kinds of benefits have historically been reserved for large businesses and public employees, while small businesses often have to offer a “one-size fits all” plan with added administrative hurdles.

While we are pleased that small business exchanges will benefit from a separate rule finalized today—insurers must sell products in the small business marketplace if they want to sell products in the individual marketplace—we’re still concerned about the latest proposed regulation. With 30 days until it’s finalized, it is imperative that every possible effort is made to ensure that on Day 1 of enrollment, requirements for employee choice and simplified payments are in the exchange rulebook. We strongly discourage passage of any rule that delays them.

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**About Small Business Majority**

Small Business Majority is a national small business advocacy organization, founded and run by small business owners, to support America’s 28 million small businesses. We conduct extensive opinion and economic research and work with our rapidly growing network of small business owners across the country to ensure their voices are an integral part of the public policy debate. Learn more about us on [Wikipedia](#) and follow us on [Twitter](#) and [Facebook](#).