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**MADIGAN, 38 OTHER ATTORNEYS GENERAL OPPOSE HEALTH PLAN IN U.S. SENATE**

Chicago – Attorney General Lisa Madigan today sent a letter to U.S. Senate members urging them to oppose a bill that would dramatically change the health insurance marketplace by preempting state-mandated benefit coverage, gutting important state consumer protections and permitting insurance carriers to sue states that do not adopt the new federal standards.

Madigan, who led the letter writing effort with Attorneys General Joseph Curran of Maryland and Wayne Stenehjem of North Dakota, was joined by an additional 36 Attorneys General in opposing the legislation, Senate Bill 1955 (S. 1955), the Health Insurance Marketplace Modernization and Affordability Act of 2006 (HIMMA).

Madigan said that while the bill was allegedly designed to help small businesses provide some form of health insurance to their employees, the bill actually would allow all types of insurance plans (individual, small group and large group) to offer bare-bones policies that do not include services that Illinois law currently requires, such as mammograms and other types of cancer screening, supplies necessary for diabetes management, access to specialists, care for newborns and adopted children, mental health treatment and other important healthcare safeguards.

Second, the bill would preempt important state protections against unfair claims handling practices, potentially eliminating the right of Illinois HMO beneficiaries to an external, third-party review of a claim denial. Without these important protections, consumers would lose meaningful rights to contest unwarranted denials of insurance coverage and might not obtain benefits to which they are entitled.

Third, the bill would permit insurance carriers to sue states that do not adopt the new federal standards. Not only would this provision open the door to a new breed of costly lawsuits against the states, but it would afford insurers the unprecedented right to bring those claims directly in the federal court of appeals, and to have them decided on an expedited basis.

“ This bill represents yet another attempt to expand federal preemption of state oversight and regulation, with disastrous consequences for consumers,” Madigan said. “The preemption of state authority would erode consumer access to critical health benefits, eliminate important protections that

consumers have come to rely upon and likely impair the ability of states, and consumers, to ensure that health insurance plans meet their obligations.

Madigan noted that in contrast to S. 1955, U.S. Sen. Dick Durbin (D-IL) has introduced a plan to help small businesses afford health insurance for their employees without eroding state-mandated coverage and protections.

Durbin's bill, the Small Employers Health Benefits Program (SEHBP) would enable small businesses across the nation to band together to obtain lower health care prices by pooling their purchasing power and spreading the risk over a larger number of people. According to Durbin, employers would qualify for an annual tax credit to partially offset contributions of low-income employees. Durbin said the plan is modeled after the Federal Employees Health Benefits Program (FEHBP).

S. 1955 could come to the Senate floor as early as next week.