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Secretary Kathleen Sebelius
US Department of Health and Human Services
200 Independence Avenue Southwest
Washington, DC 20201

Dear Secretary Sebelius:

Rural America has long been aware of the effects of competition or the lack thereof. An example of this is the concentration in the agriculture sector over the last twenty years. Eighty percent of the meat packing industry is now controlled by three companies; two chemical companies have been buying seed companies so that a very few companies not only control the herbicides and pesticides that farmers need to produce crops, they now also control the seed that farmers plant. There is also increased concentration in the grain business so that a few companies control over half of the purchasing of farmers grain. This concentration means not only lower prices for bulk commodities and higher prices for inputs but it also means less service in many instances such as having to travel many more miles to deliver grain or to pick up inputs.

We at Communicating for America and our farmer and rural small business members from across rural America fear that this concentration could also occur in the health insurance market. Already in some states over seventy-five percent of the individual health insurance market is controlled by one company, and over fifty percent in many other states. Smaller health insurance companies are essential to these markets because they are often quicker to react to the special needs of rural areas and offer innovative insurance products focusing on choice and affordability realizing that one size definitely does not fit all in rural America.

Some smaller insurance companies have already decided that they will not continue to sell in the individual and small group markets that make up most of the health insurance sales in rural areas. The companies could exit the market today leaving many of the self-employed and rural small business employees without coverage. The new risk-pool mechanism helps people that have been uninsured for some time but the newly uninsured would not be eligible without going for six months without coverage. After 2014, there will be help for these people but two and a half years is a long ways away for those without access to affordable health insurance.

CA strongly believes that Association Group Insurance is an important option for those Americans purchasing their own health insurance. Legitimate associations offering group insurance provide members the buying power and administrative savings of employer based group coverage, while also offering the flexibility and portability of individual coverage. As an organization that has more than three decades of experience serving the needs of rural America, CA has the unique insight and ability to tailor insurance policies to the needs of small businesses, farmers, and self-employed Americans, all of which are the backbone of our rural communities.

Communicating for America has offered endorsed association group health plans to members in many states for more than 35 years with good success. Through the years, all the health insurance endorsements have been with smaller companies who have been willing to work with the association to offer innovative plans with good benefits but also more reasonably priced, such as high deductible plans. Our association has done much more than just offering endorsed health plans. CA has been instrumental in helping to establish state high-risk pools since 1976. Since 1981, the Communicating for Agriculture Scholarship and Education Foundation has been providing scholarships and educational opportunities to young people in rural America to further their education and careers in agriculture and health care. Since 1985, the foundation has had authority from the United States Department of State to sponsor a J-1 training and intern program, and today CA Education Programs operates the largest international agricultural exchange program in the United States. We have testified before Congress countless times on agriculture, tax and healthcare issues. All of these endeavors are accomplished through the power of the association. CA urges the NAIC committee and HHS to include regulations that allow association groups with legitimate associations to continue to exist and operate under the new health reform plan.

Thank You,

Wayne Nelson
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