



ISSUE BRIEF

U.S. Senate: Pass the Competitive Health Insurance Reform Act, An Important Step in a Fair Healthcare Market

BACKGROUND:

In the 1944 Supreme Court Case, *United States v. South-Eastern Underwriters Association*, the Court established that the business of insurance constitutes "interstate commerce," and therefore is subject to Congressional oversight under the Commerce Clause of the Constitution. This decision specifically held that the Sherman Act – the federal antitrust statute – applied to insurance.

In quick reaction, insurance companies lobbied Congress to pass the McCarran-Ferguson Act of 1945 to establish a special-interest exemption for the industry from federal antitrust laws.

After 70 years, it is apparent that the unbridled antitrust exemption created by Congress in the 1940's was not prudent. Over the decades - and expeditiously since the passage of the Affordable Care Act, in 2009 – the health insurance market has mutated into one of the least transparent and most anti-competitive industries in the United States.

THE ISSUE:

The Competitive Health Insurance Reform Act, HR 372, is legislation designed to amend McCarran-Ferguson and restore the application of federal antitrust and competition laws to the business of health insurance. The passage of this bill into law is an essential step towards increasing competition in health insurance markets and lowering prices for consumers. The bill will ensure that health insurance issuers are subject to the same laws which prohibit unfair trade practices that other businesses are required to comply with, including those laws which prohibit price fixing, collusion, or market allocations to the detriment of consumers.

The application of federal anti-trust laws is more relevant now than ever. Application of federal antitrust law will benefit doctors, and patients alike as health insurers compete to provide quality coverage. In short, the bill ensures health insurance issuers are subject to the same antitrust and unfair trade practice laws that all businesses are required to comply with. For doctors of chiropractic and chiropractic patients, this means they no longer will be placed in an unfair disadvantage because health insurers will no longer be able to conspire among themselves to fix the price of services and the terms of participation.

This legislation has broad bipartisan support. A form of this bill passed the Democratic-controlled House during the 111th Congress 406 - 19 and passed the Republican-led House in the 112th Congress by a voice vote.

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ACTION NEEDED:

- In March 2017, the House of Representatives overwhelmingly passed, by a vote of 416-7, which removes the antiquated anti-trust exemption from health insurance companies.
- **Members of the Senate are urged to show support for both patients and providers by passing HR 372 and sending it immediately to the president for signature.**

For Additional Information Please Contact:

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