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June 11, 2009

The Honorable Barack Obama  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20001

Dear President Obama:

I write on behalf of the Retail Industry Leaders Association (RILA) to make you aware of our enclosed priorities for health reform. We share your desire to alter the system in a way that sustains our nation's fiscal viability while increasing access to quality, affordable care for the uninsured. Retailers know the significance of rising health costs in the lives of each and every American and RILA member companies are committed to offering quality, affordable health plans to our employees and driving innovative programs to expand access for our customers.

The Retail Industry Leaders Association promotes consumer choice and economic freedom through public policy and industry operational excellence. Our members include the largest and fastest growing companies in the retail industry – retailers, product manufacturers, and service suppliers – which together account for more than \$1.5 trillion in annual sales. RILA members provide millions of jobs and operate more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad.

Because of the Employee Retirement and Income Security Act (ERISA), all RILA member companies are able to offer health care coverage to their employees. We encourage you to embrace a reform package that preserves ERISA preemption, balances our need for benefit design flexibility with a meaningful level of coverage, protects the employer-based system by providing subsidies so that more individuals can afford an employer-sponsored plan, and does not ask employers to pay for the coverage of employees who choose not to purchase an employer's plan. With these priorities, we can build upon the existing system and make health care more accessible and affordable for those who need it most.

We applaud your commitment to increasing innovation in many policy arenas, including health care. Among the recent innovations that retailers are leading include in-store and worksite clinics, nutrition labeling, wellness program participation incentives and discount generic drug programs. We would appreciate your support of retail-driven programs that advance healthier lifestyles for all Americans while lowering the cost and convenience barriers that can prevent millions from getting the care they need.

Again, we are committed to meaningful health reform and hope that you and your team will work with us to advance our shared goal. In the meantime, please do not hesitate let me know if there is additional information that I can provide.

Sincerely,

Sandra L. Kennedy  
President

Enclosure



## Health Care Reform Priorities

### Ø **Preserve ERISA Preemption**

The Employee Retirement and Income Security Act (ERISA) affords retailers the plan design flexibility and streamlined compliance costs needed in order to offer quality, affordable health coverage across state lines. ERISA is integral to ensuring that millions of employees and their families retain health coverage and it must be preserved.

### Ø **Encourage Participation in Employer-Sponsored Plans**

Employer-sponsored health plans drive competition and lower the costs of coverage for everyone. RILA supports reform proposals which include subsidies for working adults who need assistance purchasing employer-sponsored plans.

### Ø **Support a Health Insurance Exchange for the Uninsured**

Retailers believe the goal of creating a health insurance exchange is to provide the uninsured with access to care. RILA supports proposals which enable those without insurance greater choice and affordability to purchase plans, but cannot endorse any pay-or-play mandates which require employers to pay a subsidy to employees who turn down employer-sponsored coverage.

### Ø **Consider a Tax Cap Based on an Actuarial Equivalence**

RILA recognizes the key to enacting health reform may be embracing the idea of shared responsibility among businesses, providers and individuals. We will therefore consider a responsible limit on employer-provided health coverage that is excludable from gross income. However, we cannot support any proposal aimed at shifting individuals from employer-sponsored to connector-based plans.

### Ø **Allow for Benefit Design Flexibility**

Benefit design flexibility will preserve employers' ability to offer the best benefits for their unique workforce needs. RILA encourages policymakers to establish an independent body with authority to create a minimum standard of benefits for health plans which allows for an actuarial equivalent standard indexed to inflation.

### Ø **Increase Wellness Incentives for Individuals**

Many retailers are investing in wellness programs and noticing real results in the form of healthier, more productive workforces and reduced health care costs. Based upon this success, we support federal incentives which motivate personal responsibility for well-being.

### Ø **Support Convenient Care Clinics**

In-store and worksite clinics offer quality, inexpensive and convenient care for common illnesses and ailments by highly trained health providers. RILA supports legislation which increases clinic access and recognizes the critical role that nurse practitioners and physician assistants play in the growth of convenient care clinics.