

Antitrust Reform Amending the McCarran-Ferguson Act

As the nation's oldest and largest dental professional organization, representing over 161,000 members, the American Dental Association (ADA) strongly supports H.R. 372, "The Competitive Health Insurance Reform Act."

H.R. 372 would amend the McCarran-Ferguson Act (passed into law in 1945) to authorize the Federal Trade Commission and the Justice Department to enforce the full range of federal antitrust laws against health insurance companies engaged in anticompetitive conduct.

"The Competitive Health Insurance Reform Act" would not interfere with the states' ability to maintain and enforce their own insurance regulations, antitrust statutes, and consumer protection laws. Because states vary in their enforcement efforts, the impact of repeal on health insurance companies would differ from state to state.

This is no different from the situation faced by other businesses. Modern antitrust law is flexible enough to allow for a weighing of a particular business practice's potential procompetitive benefits against any potential anticompetitive harms.

The bill is narrowly drawn to apply only to the business of health insurance, including dental insurance, and would not affect the business of life insurance, property or casualty insurance, or any other similar insurance areas.

Passage of H.R. 372 would help interject more competition into the insurance marketplace by authorizing greater federal antitrust enforcement in instances where state regulators fail to act. Promoting lower prices, greater consumer choice, and increased innovation through robust competition is the role of the antitrust laws.

When competition is not robust, consumers are more likely to face higher prices and less likely to benefit from innovation and variety in the marketplace.

The U.S. House of Representatives passed H.R. 372 by a vote of 416-7 on March 22. The ADA is continuing to work to secure a Senate sponsor for a companion bill.

Information

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