

has been undermined a little bit, and my logic is fairly simple.

As I read it, in section 805 of the bill, it allows an AHP to preempt State-level patient protection laws that prevent cherry-picking against small businesses with sick employees. Now, that troubles me a great deal. Look at the bill. Line 8 through 14 gives us the right, and line 21 through 22 takes it away. Sure, everybody can buy an AHP. It is just if you have anybody sick, you are in serious trouble, because the premium is going to be so high you cannot afford it.

After all, H.R. 525 is supposed to allow small businesses to come together to form large pools and purchase affordable health care through an association. That is a good idea. This makes sense, since large employers use this concept under ERISA to provide employees good rates, regardless of preexisting conditions. But in my opinion we, somewhere along the way, allowed this very good idea to be corrupted by a very bad provision, a sort of fly in the buttermilk of health care reform, in the form of section 805.

Mr. Speaker, 49 out of 50 States have instituted at least some patient protections that prevent insurers from using health status to discriminate against patients. Yet in plain English it appears to me that section 805 allows an AHP to preempt those rating laws. This simply makes no sense.

This is the bottom line: A small business owner in remission from cancer likely cannot get health insurance for himself, his family, or his employees if he lives in a State that allows for rating based on health status. Will that small business owner be able to afford high-quality health insurance from an AHP if H.R. 525 becomes law? Based on the language as I understand it, as I believe it to be true, he will not be able to get that insurance. Now, I believe that if H.R. 525 becomes law, it may even be much harder for that employer to get insurance. Why is that? Because all other employers with healthy employees will be in the AHPs.

I do not believe that is the intention of this bill. I hope I am wrong. I am going to vote for this bill. I am going to vote for it to move it forward, and I dearly hope I am wrong, and I hope that my chairman is right. But if time proves my position correct, I want these comments on the record so we will know exactly where to go to fix this when the milk turns sour.

Mr. BOEHNER. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the gentleman from Georgia and I have had a disagreement over this particular provision for several years. It is very clear in the bill, as I read it, not the way the gentleman from Georgia (Mr. NORWOOD) reads it, and this is where the source of the disagreement comes in terms of how plans can choose groups of employees.

Under current ERISA law, you are allowed to have different rates for different groups of employees as long as

there is a reason other than the health status of that group to have a separate group. Maybe you have a plant located in one part of the State, another plant in another part of the State. You could have two different rates at those two different plants, just like you can under most State laws and what you can under ERISA.

So I look forward to continuing to work with my friend from Georgia to resolve our misunderstanding of this issue.

Mr. ANDREWS. Mr. Speaker, I am pleased to yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY), a person who is a strong voice for the rights of patients and families.

Ms. WOOLSEY. Mr. Speaker, there currently are 45 million Americans who do not have health insurance and are looking for real solutions for their lack of health care coverage. Unfortunately, H.R. 525, the so-called Small Business Health Fairness Act, is not their answer. In fact, this bill allows insurance companies to preempt State law, making possible a race to the bottom by associated health plans as companies, because of this bill, can offer the cheapest insurance with the least coverage.

The idea that we would allow insurance companies to trump State law is really outrageous. Laws to protect those with diabetes, those with cancer, and a host of other ailments are at risk under this plan. That is why I offered an amendment in the Committee on Rules, along with the gentlewoman from New York (Mrs. MCCARTHY), that would protect mammograms and cervical cancer screenings from being preempted by association health plans. Unfortunately, the Republican majority does not see the value in protecting women from breast and/or cervical cancer, because they would not allow our amendment to come to the floor to be debated before we voted on this bill.

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Mr. Speaker, in my district, the Sixth Congressional District of California, the women of Marin County are plagued by an unusually high rate of breast cancer, and particularly young women have the high incidence of breast cancers. But, fortunately, in California we require insurance companies to cover mammograms. So while the women of Marin County still have to worry about their community's high rate of breast cancer, at least they know their insurance companies cannot deny them access to the best available screening tools.

I cannot accept the idea of even one woman in this Nation foregoing an annual mammogram or a pap smear only to be diagnosed later with advanced breast or cervical cancer because an association health plan does not provide coverage. This is a risk we cannot afford, and I urge my colleagues to vote "no" on H.R. 525.

Mr. BOEHNER. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. BOUSTANY), a physician.

Mr. BOUSTANY. Mr. Speaker, 45 million Americans lack health insurance today, and the number is rapidly growing. Twenty-six percent of all adults in Louisiana lack health insurance, and 22.6 percent of all working adults in Louisiana lack insurance.

It has been said over here that we need the insurance mandates to protect the patient. Insurance mandates are meaningless without insurance. We need a free market health care system that allows doctors to make decisions and not insurance companies. Fifty-two percent of Louisiana's small businesses offer health insurance, and the number is constantly declining. We must act to ensure that Americans can afford the health insurance that they need, and we can do so by passing H.R. 525, the Small Business Health Fairness Act.

This bill will create association health plans that will allow small businesses to band together through bona fide trade associations to become larger purchasers of health insurance, thus giving small businesses the same benefits that Fortune 500 companies now enjoy.

The Congressional Budget Office has estimated that small businesses obtaining insurance through AHPs would average premium reductions of 13 percent and some as high as 25 percent reductions. Overhead costs alone would decrease by as much as 30 percent under these plans. What is wrong with this? This is offering affordable coverage to workers.

There is additional research that also shows that up to 8.5 million Americans who are currently uninsured would become insured under AHPs. And this bill offers very many protections, consumers protections and protections with regard to solvency, as outlined.

If we are going to lower costs and increase accessibility to health care, we need to create choices and enhance competition. This bill is an important first step, and I urge its passage.

Mr. ANDREWS. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. HOLT), a Member who does not want to see a 23-percent increase in premiums for his constituents.

(Mr. HOLT asked and was given permission to revise and extend his remarks.)

Mr. HOLT. Mr. Speaker, today Member after Member has been talking about the 45 million Americans who lack health insurance. At the origin of our problem, we are the only major country where your health care coverage depends on who you work for. But that is not to be debated today.

We are talking about the small businesses in New Jersey and elsewhere around the country that face the high cost of health insurance. We all hear about it from our small businesses and their employees. Unfortunately, what has been brought to the floor here is a bill that creates more problems than it solves.

The concept of companies working together to control costs has worked in