

health insurance. It makes no sense to me why a big business and its employees can deduct the cost of health benefits but an employee of a small company that does not offer health insurance must pay all of the cost with after-tax dollars.

Finding the money to provide this tax equity is not going to be easy.

I believe that ideas like association health plans, also known as multiple employer welfare associations, MEWAs, and healthmarts could destroy the individual market by leaving it with a risk pool that is sicker and more expensive.

Let me give some specific concerns about association health plans or multiple employer welfare associations. Simply put, an association health plan is a pool of individuals who are employers who band together and form a group that self-insures. By doing so, they remove themselves from regulation by State insurance commissioners and instead subject themselves to regulation by Federal ERISA law.

While association health plans may provide a measure of efficiency for employers, they leave employees without any real safeguards against the less honorable practices of HMOs. In a very real sense, ERISA remains the Wild West of health care. Unlike State laws which regulate quality, ERISA contains only minimal safeguards for quality. Let me explain.

ERISA places only limited requirements on health plans. They must act as fiduciaries, meaning they must exercise sound management consistent with rules established by a plan sponsor. They must provide written notice to beneficiaries whose claims have been denied, setting forth the reasons. They must disclose some information about the plan to participants of beneficiaries. They cannot discriminate against beneficiaries. They have to allow certain employees, usually those who have been terminated, to purchase COBRA coverage. They have to provide coverage to adopted children in the same manner they cover natural children, and they have to comply with the 1996 HIPAA law in regards to portability.

That sounds all right, but consider what ERISA does not require. Among its many requirement shortcomings, ERISA does not impose any quality assurance standards or other standards for utilization review. ERISA does not allow consumers to recover compensatory or punitive damages if a court finds against the health plan in a claims dispute. ERISA does not prevent health plans from changing, reducing or terminating benefits; and with few exceptions ERISA does not regulate the design or content such as covered services or cost sharing of a plan. Remember from the Jones case how important that can be. And ERISA does not specify any requirements for maintaining plan solvency.

I confess, I cannot understand why some Members would want to place

more employees in health plans regulated by ERISA. If anything, we should be moving in the opposite direction and returning regulatory authority to State insurance commissioners.

The patient protection legislation is intended to fix some very real problems in ERISA. I will not consider adding to the number of people under its regulatory umbrella until I see meaningful patient protections for them signed into law.

I am certainly not alone in my concerns about association health plans. When they were proposed as part of the Republican patient protection bill last year, they drew significant opposition from Blue Cross/Blue Shield plans and the National Association of Insurance Commissioners.

Blue Cross, the insurer of last resort for many States, fears that association health plans will undermine State programs to keep insurance affordable. Joined by the Health Insurance Association of America, they wrote, "Association health plans would undermine the most volatile segments of the insurance market, the individual and small group markets. The combinations of these with healthmarts could lead to massive market segmentation and regulatory confusion."

A constituent of mine and an insurance industry professional wrote to me to express his concerns about association health plans. He wondered why these plans "can sell whatever level of benefits they want to provide and can limit coverage for any type of benefit the plan might want to cover."

Now, some may say that these concerns reflect the self-interest of the industry. Before buying into that argument, consider an editorial by *The Washington Post* a year ago. In criticizing association health plans, and I would say, by extension, healthmarts, the *Post* pointed out that, "if you free the MEWAs, multiple employer welfare associations, you create a further split in the insurance market which likely will end up helping mainly healthy people at the expense of the sick."

Some may say that *The Washington Post* is a relentlessly liberal paper and that it cannot be considered an objective source. Then consider what the American Academy of Actuaries had to say about association health plans. In a letter to Congress in June, 1997, they wrote, "While the intent of the bill is to promote association health plans as a mechanism for improving small employers' access to affordable health care, it may only succeed in doing so for employees with certain favorable risk characteristics. Furthermore, this bill contains features which may actually lead to higher insurance costs."

The Academy went on to explain how these plans could undermine State insurance regulation. "The resulting segmentation of the small employer group market into higher and lower cost groups would be exactly the type of segmentation that many State reforms have been designed to avoid. In this

way, exempting them from State mandates would defeat the public policy purposes intended by State legislatures."

The Academy also pointed out that these plans "weaken the minimum solvency standards for small plans relative to the insured marketplace, which may increase the chance for bankruptcy of a health plan."

Still not convinced? Well, how about a letter jointly signed by the National Governors Association, the National Conference of State Legislatures and the National Association of Insurance Commissioners. In a letter to Congress, these groups argued that association health plans, and I might add healthmarts, "substitute critical State oversight with inadequate Federal standards to protect consumers and to prevent health plan fraud and abuse."

Think these are just the concerns of Washington insiders? Legislators in my own State took time to write and express their concerns about association health plans. A letter signed by six members of the Iowa House of Representatives urged rejection of association health plans. They wrote, "Under the guise of allowing employers to join large purchasing groups to lower health care costs, these proposals would result in large premium increases for small employers and individuals by unraveling State insurance reforms and fragmenting the market."

Mr. Speaker, attempting to attach association health plan legislation or healthmart legislation to patient protection legislation poses two very real dangers. First, association health plans undermine the individual insurance market and can leave consumers without meaningful protections from HMO abuses; and, second, I am very concerned that opposition to healthmarts and association health plans, much like that I have already cited today, will bog down patient protection legislation, leading it to suffer the same death that it did last year.

Mr. Speaker, on behalf of patients like Jimmy Adams, who lost his hands and feet because an HMO would not let his parents take him to the nearest emergency room, I will fight efforts to derail managed care reform by adding these sorts of extraneous provisions; and I pledge to do whatever it takes to ensure that opponents of reform are not allowed to mingle these issues in order to prevent passage of meaningful patient protections.

Mr. Speaker, I look forward to working with all my colleagues to see that passage of real HMO reform is an accomplishment of the 106th Congress, something we all, on both sides of the aisle, can be proud of.

RECESS

The SPEAKER pro tempore (Mr. PEASE). Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6 p.m.

Accordingly (at 4 o'clock and 15 minutes p.m.), the House stood in recess until approximately 6 p.m.

□ 1800

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BRADY of Texas) at 6 p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 775, YEAR 2000 READINESS AND RESPONSIBILITY ACT

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 106-134) on the resolution (H. Res. 166) providing for the consideration of the bill (H.R. 775) to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which those motions were entertained.

Votes will be taken in the following order:

H.R. 1550, as amended, by the yeas and nays; and House Resolution 165, by the yeas and nays.

The Chair will reduce to 5 minutes the time for the second electronic vote.

FIRE ADMINISTRATION AUTHORIZATION ACT OF 1999

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1550, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 1550, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 417, nays 3, not voting 13, as follows:

[Roll No. 121]
YEAS—417

Abercrombie	Baker	Barton
Ackerman	Baldacci	Bass
Aderholt	Baldwin	Bateman
Allen	Ballenger	Becerra
Andrews	Barcia	Bentsen
Archer	Barr	Bereuter
Armey	Barrett (NE)	Berkley
Bachus	Barrett (WI)	Berman
Baird	Bartlett	Berry

Biggett	Fossella	Linder
Bilbray	Fowler	Lipinski
Bilirakis	Frank (MA)	LoBiondo
Bishop	Franks (NJ)	Lofgren
Blagojevich	Frelinghuysen	Lucas (KY)
Bliley	Frost	Lucas (OK)
Blumenauer	Gallegly	Luther
Blunt	Ganske	Maloney (CT)
Boehlert	Gejdenson	Maloney (NY)
Boehner	Gekas	Manzullo
Bonilla	Gephardt	Markey
Bonior	Gibbons	Martinez
Bono	Gilchrest	Mascara
Borski	Gillmor	Matsui
Boswell	Gilman	McCarthy (MO)
Boucher	Gonzalez	McCarthy (NY)
Boyd	Goode	McCollum
Brady (PA)	Goodlatte	McCrary
Brady (TX)	Goodling	McDermott
Brown (FL)	Gordon	McGovern
Brown (OH)	Goss	McHugh
Bryant	Graham	McInnis
Burr	Granger	McIntosh
Burton	Green (TX)	McIntyre
Buyer	Green (WI)	McKeon
Callahan	Gutierrez	McKinney
Calvert	Gutknecht	McNulty
Camp	Hall (OH)	Meehan
Campbell	Hall (TX)	Meek (FL)
Canady	Hansen	Meeks (NY)
Cannon	Hastings (FL)	Menendez
Capuano	Hastings (WA)	Metcalf
Cardin	Hayes	Mica
Carson	Hayworth	Millender-
Castle	Hefley	McDonald
Chabot	Heger	Miller (FL)
Chambliss	Hill (IN)	Miller, Gary
Clay	Hill (MT)	Miller, George
Clayton	Hillery	Minge
Clement	Hilliard	Mink
Clyburn	Hinchee	Moakley
Coburn	Hinojosa	Mollohan
Collins	Hobson	Moore
Combest	Hoeffel	Moran (KS)
Condit	Hoekstra	Moran (VA)
Conyers	Holden	Morella
Cook	Holt	Murtha
Cooksey	Hooley	Myrick
Costello	Horn	Nadler
Cox	Hostettler	Neal
Coyne	Houghton	Nethercutt
Cramer	Hoyer	Ney
Crane	Hulshof	Northup
Crowley	Hunter	Norwood
Cubin	Hutchinson	Nussle
Cummings	Hyde	Oberstar
Cunningham	Inslee	Obey
Danner	Isakson	Olver
Davis (FL)	Istook	Ortiz
Davis (IL)	Jackson (IL)	Owens
Davis (VA)	Jackson-Lee	Oxley
Deal	(TX)	Packard
DeFazio	Jefferson	Pallone
DeGette	Jenkins	Pascrell
Delahunt	John	Pastor
DeLauro	Johnson (CT)	Payne
DeLay	Johnson, E. B.	Pease
DeMint	Johnson, Sam	Pelosi
Deutsch	Jones (NC)	Peterson (MN)
Diaz-Balart	Kanjorski	Petri
Dick	Kaptur	Phelps
Dicks	Kelly	Pickering
Dingell	Kennedy	Pickett
Dixon	Kildee	Pitts
Doggett	Kilpatrick	Pombo
Dooley	Kind (WI)	Pomeroy
Doolittle	King (NY)	Porter
Doyle	Kingston	Portman
Dreier	Klecza	Price (NC)
Duncan	Klink	Pryce (OH)
Dunn	Knollenberg	Quinn
Edwards	Kolbe	Radanovich
Ehlers	Kucinich	Rahall
Ehrlich	Kuykendall	Ramstad
Emerson	LaFalce	Rangel
Engel	LaHood	Regula
English	Lampson	Reyes
Eshoo	Lantos	Reynolds
Etheridge	Largent	Riley
Evans	Larson	Rivers
Everett	Latham	Rodriguez
Ewing	LaTourette	Roemer
Farr	Lazio	Rogan
Fattah	Leach	Rogers
Filner	Lee	Rohrabacher
Fletcher	Levin	Ros-Lehtinen
Foley	Lewis (CA)	Rothman
Forbes	Lewis (GA)	Roukema
Ford	Lewis (KY)	Roybal-Allard

Royce	Snyder	Turner
Rush	Souder	Udall (CO)
Ryan (WI)	Spence	Udall (NM)
Ryun (KS)	Spratt	Upton
Sabo	Stabenow	Velazquez
Salmon	Stark	Vento
Sanchez	Stearns	Visclosky
Sanders	Stenholm	Walden
Sandlin	Strickland	Walsh
Sawyer	Stump	Wamp
Saxton	Stupak	Waters
Schaffer	Sununu	Watkins
Schakowsky	Sweeney	Watt (NC)
Scott	Talent	Watts (OK)
Sensenbrenner	Tancredo	Waxman
Serrano	Tanner	Weiner
Sessions	Tauscher	Weldon (FL)
Shadegg	Tauzin	Weldon (PA)
Shaw	Taylor (MS)	Weller
Shays	Taylor (NC)	Wexler
Sherman	Terry	Weygand
Sherwood	Thomas	Whitfield
Shimkus	Thompson (CA)	Wicker
Shows	Thompson (MS)	Wilson
Shuster	Thornberry	Wise
Simpson	Thune	Wolf
Skeen	Thurman	Woolsey
Skelton	Tiahrt	Wu
Smith (MI)	Tierney	Wynn
Smith (NJ)	Toomey	Young (AK)
Smith (TX)	Towns	Young (FL)
Smith (WA)	Trafficant	

NAYS—3

Chenoweth Paul Sanford

NOT VOTING—13

Brown (CA)	Kasich	Scarborough
Capps	Lowey	Sisisky
Coble	Napolitano	Slaughter
Greenwood	Ose	
Jones (OH)	Peterson (PA)	

□ 1821

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. COBLE. Mr. Speaker, on rollcall No. 121, I was unavoidably detained. Had I been present, I would have voted "aye."

Mr. KASICH. Mr. Speaker, on Tuesday, May 11, 1999, I was unable to record a vote by electronic device on Roll Number 121, to authorize appropriations for the United States Fire Administration for fiscal years 2000 and 2001, and for other purposes. Had I been present, I would have voted "yea" on Roll Number 121.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BRADY of Texas). Pursuant to the provisions of clause 8 of rule XX, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the second motion to suspend the rules on which the Chair has postponed further proceedings.

HONORING AND RECOGNIZING SLAIN LAW ENFORCEMENT OFFICERS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 165.

The Clerk read the title of the resolution.