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SCHAKOWSKY SAYS HOUSE REPUBLICANS DELIVER VICTORY TO HMOS BY PASSING *"INSURANCE INDUSTRY BILL OF RIGHTS"*

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) tonight said House Republicans delivered a major victory to HMOs. The House passed a bill that offers no protection for consumers from managed care abuse, fails to hold HMOs accountable in a court of law, and leaves HMOs in charge of healthcare decision making. Schakowsky called the bill an "Insurance Industry Protection Act."

"We promised that we would let medical professionals make medical decisions. We told doctors, nurses and other health care professionals that we would free them from managed care bureaucracy so that they can provide quality care to their patients," Schakowsky said.

"To call this legislation a patient protection bill is a violation of truth in advertising laws. It is no longer a law designed to curb HMO abuses - it has become a bill that leaves HMOs in charge of health care decision making and preempting state laws designed to protect patients. It is an Insurance Industry Protection Act," Schakowsky added.

Below is Schakowsky's Congressional Record statement:

"Mr. Speaker, I rise in opposition to H.R. 2563, the Patient Protection Act. This bill has been so damaged by the amendments passed today, that it should be a violation of truth in advertising laws to call it a patient protection bill. It is no longer a law designed to curb HMO abuses - it has become a bill that leaves HMOs in charge of health care decision making and preempting state laws designed to protect patients. It is a bill that is no longer deserving of its title and is no longer deserving of our support. It is an Insurance Industry Protection Act.

"Earlier today, the House passed the Thomas amendment to establish Association Health Plans. Despite the arguments of its proponents, AHPs are not a step forward. Instead, AHPs will take critical state protections away from consumers and make access to health care worse for millions of Americans.

"I believe that we need to make health care more affordable and accessible to small businesses and their employees. I support purchasing coops and pooling arrangements. But I could not support this amendment. Why? Because it would do more harm than good. By preempting state regulations designed to lower premiums and protect consumers, it would move us backwards not forward.

"First, it would actually raise premiums for the majority of small businesses. The Congressional Budget Office estimates that 80 percent of small business employees

could face premium increases as companies with healthier employees opt out of the small group market. With market fragmentation, small firms with older workers, women of child-bearing age, and workers with ongoing health problems would wind up paying more.

"Second, as a result, those small businesses facing higher premiums would drop coverage. The CBO estimates that 10,000 employees - those with the highest health care needs -- would lose coverage. An Urban Institute estimate is that one percent of all small firms would lose coverage.

"Third, even insured consumers could face higher costs and reduced access because AHPs would be allowed to ignore state minimum benefit requirements. In Illinois, those minimum benefits include annual pap smears, prosthetic devices, mental health services, cancer screening, education on diabetes self-management, and length of stay protections for mastectomy patients. Consumers Union opposes AHPs because "health insurance policies would be less likely to cover potentially life-saving benefits such as mammography screening, cervical cancer screening, and drug abuse treatment." AHPs will lead to bare-bones coverage that leaves patients with higher medical bills or forces them to go without care.

"Fourth, consumers enrolled in AHPs would have no place to go for protection, since state regulation is preempted and the U.S. Department of Labor lacks the resources or the will to respond to individual consumer complaints.

"The National Governors Association, the National Conference of State Legislatures, and the National Association of Insurance Commissioners said it best when they wrote to us opposing this bill. They wrote: "AHPs would fragment and destabilize the small group market, resulting in higher premiums for many small businesses. AHPs would be exempt from state solvency requirements, patient protections, and oversight and thus place consumers at risk."

"I also strongly oppose the Norwood liability amendment. Many of us won election last November because we promised that we would give patients meaningful protections. We promised that we would curb HMO abuses that are injuring and killing people on a daily basis.

"We promised that we would let medical professionals make medical decisions. We told doctors, nurses and other health care professionals that we would free them from managed care bureaucracy so that they can provide quality care to their patients. This amendment means that we will not be keeping those promises.

"This amendment is a ruse. Behind all the fine print, it has one underlying objective: to continue the accountability shield that immunizes HMOs from responsibility when they deny care or limit care or restrict access to specialists. This amendment means that there is absolutely no guarantee that patient protections will be enforced. HMOs will be left in charge, free to continue to override doctors' decisions and deny care with virtual

impunity.

"This amendment provides special treatment for HMOs. It gives HMOs unique legal protections - protections denied every other industry in this country -- so that they can continue to operate with immunity.

"Mr. Speaker, we have done a disservice to patients and those who care for them by passing these amendments. There is an old labor song that asks the question: whose side are you on? Unfortunately, this amended bill sides with the HMOs - not patients."