



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 26, 2005
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 525 – Small Business Health Fairness Act
(Rep. Johnson (R) TX and 135 cosponsors)

The Administration strongly supports House passage of H.R. 525, legislation that would provide access to quality, affordable health benefits for millions of workers and their families. Rising health care costs impose a burden on families and small businesses and put coverage out of reach for many Americans. Providing access to health coverage for the 45 million uninsured Americans is a top priority for the President. H.R. 525 would create Association Health Plans (AHP), providing new health coverage options for millions. The legislation would strengthen access to health coverage for workers in the nation's eight million small businesses, which are only half as likely as large employers to offer health benefits.

Large businesses and labor unions are able to offer their employees and members common health benefits across State lines, achieving significant cost savings through large risk pools and administrative efficiencies. H.R. 525 would level the playing field for small businesses by enabling them to provide health benefits to their workers through bona fide trade and professional associations. Small businesses would benefit from the larger risk pools, increased negotiating clout, and administrative efficiencies enjoyed by large employers and labor unions.

The Administration has proposed to expand the benefits of AHPs to include a broad range of civic, religious, and community groups, offering lower-priced health care coverage for employees, members, and their families. The Administration looks forward to continuing to work with Congress on this and other initiatives to provide greater access to quality, affordable health benefits.

American workers and their families deserve the expanded opportunities for quality health care, and AHPs would make this possible at a reasonable cost. Studies have estimated that as many as two million previously uninsured people would receive coverage through AHPs.

The Administration would oppose amendments that would weaken H.R. 525 or impede small businesses' ability to form AHPs in a responsible and workable manner.

* * * * *