

PHOTOCOPY
PRESERVATION



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

October 6, 1999
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 2990 - Quality Care for the Uninsured Act (Rep. Talent (R) MO)

The Administration strongly opposes House passage of H.R. 2990, legislation explicitly designed to interfere with the passage of a free-standing Norwood-Dingell Patients' Bill of Rights. This legislation is completely unfunded and would therefore spend the social security surplus. The spending of the surplus would have virtually no impact in expanding coverage to the uninsured. If H.R. 2990 were presented to the President, his senior advisers would recommend that he veto the bill.

Although we look forward to continuing to work with the Congress on a bipartisan basis to increase access to health insurance coverage, H.R. 2990 is not the answer. While H.R. 2990 contains certain provisions that the Administration supports, such as a 100 percent deduction for health insurance premiums for the self-employed, it also includes numerous controversial provisions, such as expanding the availability of Medical Savings Accounts and association health plans, that independent health policy analysts fear would do more to segregate the healthy from the unhealthy than to cover the uninsured. In fact, preliminary analysis indicates that the bill's costs would lead to a coverage expansion of less than one percent of the currently uninsured. These provisions are unrelated to the purposes of the Patients' Bill of Rights, and would further undermine the chances for a bipartisan agreement on meaningful legislation to provide all Americans the health care protections they need and deserve.

In addition, the Administration is seriously concerned that H.R. 2990 fails to include adequate offsets for the bill's significant pay-as-you-go costs. Failure to provide adequate offsets for these costs is likely to force spending of surplus dollars that should go to Social Security and Medicare.

Pay-As-You-Go Scoring

H.R. 2990 would affect receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's scoring of H.R. 2990 is under development. Preliminary estimates based on scoring of similar provisions indicate that H.R. 2990 would result in paygo costs of more than \$50 billion over 10 years.

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