

Congress of the United States
House of Representatives
Washington, DC 20515

July 26, 2002

**HEALTH COVERAGE FOR
AMERICA'S DISPLACED WORKERS:
ANOTHER FALSE PROMISE**

Dear Colleague:

Today, as Congress votes on the trade Conference Report, Americans all over the country are counting on us to guarantee them health insurance coverage should they lose their jobs and their insurance as a result of this bill. Imagine their shock and disappointment months from now when these workers go to use their health care tax credits and discover that there is no coverage available for them to buy.

Despite the numerous health insurance options the bill purports to offer for displaced workers -- e.g., COBRA coverage, enrollment in state employee insurance plans, state high-risk pools, or other state-run insurance arrangements -- nothing in the Conference Report guarantees that any of these options will be available to them.

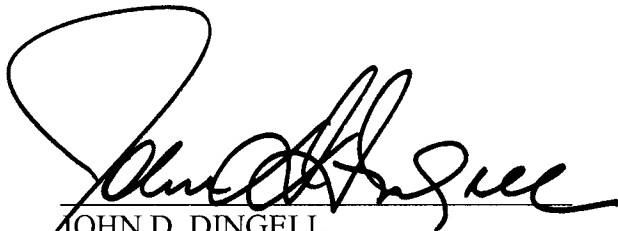
For coverage to be available, two crucial steps must occur. First, the Treasury Department must design and implement a complex new program. This process may take considerable time and investment. Second, states must choose to develop new insurance arrangements for TAA-eligible workers or redesign their current arrangements to allow TAA-eligible workers to participate. States are not required to make any options available to these workers and there is no provision for other coverage if states fail to act. In other words, this Conference Report gives the appearance of helping displaced workers and their dependents without actually assuring that health coverage options will be available.

If displaced workers *are* lucky enough to have coverage available for them to purchase with their tax credit, there is no guarantee that this coverage will be adequate or affordable. The Conference Report does not include all the necessary insurance market protections to ensure that workers are not charged higher premiums based on their age or health insurance status, or are denied important benefits, such as maternity care or prescription drugs.

A 65% tax credit may seem generous. But keep in mind that the average employer subsidizes 88% of the health care premium for an individual policy, and 72% of the premium for a family policy. Asking workers who have just lost their jobs to pay more for their health coverage at the same time they are earning less does not give these citizens the help they are counting on us to provide.

Regardless of your perspective on trade, this is not the kind of assistance America's workers deserve. The health provisions in the Conference Report do nothing to guarantee any real coverage, and they set a bad precedent for the future.

Sincerely,



JOHN D. DINGELL
RANKING MEMBER
COMMITTEE ON ENERGY AND COMMERCE



CHARLES B. RANGEL
RANKING MEMBER
COMMITTEE ON WAYS AND MEANS