

Congress of the United States
Washington, DC 20515

September 13, 1999

Business Roundtable Myth #4: Under H.R. 2723 liability is extremely broad and any employer who provided health insurance could be sued for anything.

Fact: A basic reading of the legislative language proves otherwise.

Dear Colleague:

While The Business Roundtable would have you believe that this bill would allow employers to be sued for merely existing, the legislative language clearly states otherwise. The circumstances around which an employer could be sued are extremely narrow. The employer is only liable if it exercise its discretionary authority to make a decision on a claim for benefits that results in personal injury or wrongful death.

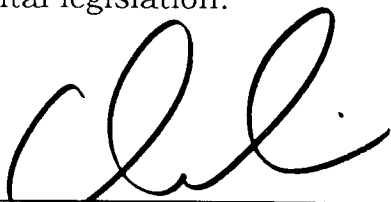
In other words, only if the employer is acting like a doctor and making a medical decision about your care.

The bill explicitly states that the decision to include or exclude specific benefits in the health benefits package is not grounds for a lawsuit against an employer. Contrary to what The Business Roundtable believes, this bill would not make an employer liable for suit for merely offering health benefits coverage. Their conclusion that all employers will be held liable for all forms of decision is hyperbolic and insupportable.

The truth of the matter is that The Business Roundtable and the managed care industry will never accept any language that would hold them responsible for their actions. For all the complexity of the legislative language, the concept is very simple. If an insurer makes a decision about whether or not to authorize a covered benefit, the insurer should be responsible for that decision. If that decision harms or kills someone, the insurer should be held accountable for damages in a court of law.

One of the fundamental principles underlying American society is the concept of personal responsibility. The health insurance industry flatly refuses to accept responsibility.

H.R. 2723 is a reasonable, bipartisan compromise that strikes a proper balance in protecting patients. We encourage you to join us in passing this vital legislation.



CHARLIE NORWOOD

Sincerely,



JOHN D. DINGELL