

Congress of the United States

Washington, DC 20515

September 13, 1999

Business Roundtable Myth #5: H.R. 2723 would completely repeal ERISA and subject ERISA plans to state law.

Fact: H.R.2723 does not repeal the ERISA preemption.

Dear Colleague:

The Business Roundtable must have amnesia. They seem to have forgotten some common facts about the world in which businesses operate. If a crate falls from the top of an overloaded shelf and gongs a customer on the head, a New York-based company will have to deal with the vagaries of Florida tort law in dealing with the injury in their Florida store. If the same New York-based company denies pre-certification of a benefit to an employee in the Florida store and that employee suffers personal injury due to that decision, the company will again have to deal with Florida tort law. Today, companies deal with varying state laws in daily operations.

After passage of Norwood-Dingell, companies will continue to deal with varying state laws, including the limited circumstances under which new causes of action could be filed. They will not suddenly be subject to all forms of state law for benefits.

The truth of the matter is that The Business Roundtable and the managed care industry will never accept any language that holds 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.

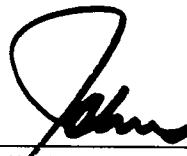
One of the fundamental principles underlying American society is the concept of personal responsibility. The health insurance industry flatly refuses to accept responsibility.

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.

Sincerely,



CHARLIE NORWOOD



JOHN D. DINGELL