



Musgrave helps reduce number of uninsured Americans

Votes to give small businesses combined health care purchasing power

Washington, DC: Today, Representative Marilyn Musgrave helped pass a bill to create nationwide Association Health Plans (AHPs) in order to close the disparity for the 45 million Americans living without health insurance. The Small Business Health Fairness Act, H.R. 525, would allow small businesses to pool together and purchase health care insurance at equitable rates through professional associations.

"The numbers clearly show that small businesses have a more difficult time providing health insurance for their workers than large companies, yet small businesses employ the largest number of workers in Colorado," said Musgrave. "Teaming together in this manner will help make a difference in the health and lives of workers and their families. I've heard volumes on this bill from people in my district and in committee, and I know people understand that if it's good enough for Wall Street, it's good enough for Main Street."

Association Health Plans could save small businesses an estimated 15 - 30 percent from purchasing benefits directly from an insurance company. By providing them an opportunity to use their collective purchasing power as members of professional associations, employers can overcome their small economies of scale.

High premiums are the reason cited for not providing health insurance by 68 percent of

companies with less than 200 workers, according to the Employee Benefits Research Institute.

The significance of AHPs was stressed by John McClelland of the American Rental Association in a hearing Musgrave chaired in April in the Subcommittee on Workforce, Empowerment and Government Programs. He stated, "Employees are attracted by pay and benefits, and health insurance is a major benefit. In a competitive labor market, it is difficult for our independent rental businesses to compete with the large national companies because they cannot match the health care benefit even though they may be spending as much per employee."

The U.S. Census Bureau reports there are 45 million uninsured Americans. Furthermore, 51 percent are in households headed by someone working in a small business with fewer than 100 employees, or are self-employed.

According to a survey sponsored by Kaiser Family Foundation, 74 percent of businesses with 10-24 workers provide health insurance, while 99 percent of firms with 200 workers or more that provide insurance.

The Congresswoman is a co-sponsor of the Small Business Health Fairness Act, which was introduced by Representative Sam Johnson (TX-03). As a member of the House Committee on Education and the Workforce, Musgrave also worked on crafting the bill earlier this year. The House passed a similar bill last Congress, however, the Senate did not vote on the measure.