

July 10, 2003

Honorable Jim Nussle  
Chairman  
Committee on the Budget  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has prepared an estimate of an amendment offered by Representative Carolyn McCarthy in the motion to recommit H.R. 660, the Small Business Health Fairness Act of 2003.

The amendment would require association health plans (AHPs) to provide coverage of certain benefits, if those benefits were provided by any participating employer in the year preceding enactment of H.R. 660. Those benefits include coverage for breast cancer screening and tests recommended by a physician, coverage for the expenses of pregnancy and childbirth, coverage for well child care, and direct access to certain obstetric or gynecological services. CBO assumes that the specified benefits would have been offered by many employer-sponsored plans in the year prior to enactment. Therefore, most, if not all, AHPs would be required to offer a plan that covers them.

Under the amendment, however, an affected AHP could offer insurance products that do not cover the specified services as long as at least one product does provide that coverage. As a result, CBO assumes that enacting the amendment would not have a significant effect on the insurance products that firms would select. Therefore, CBO estimates that this amendment would not affect the estimated budget impact of H.R. 660. (CBO transmitted a cost estimate for that bill to the Committee on Education and the Workforce on June 16, 2003.)

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If you wish further details on this estimate, we will be pleased to provide them.  
The CBO staff contacts are Stuart Hagen and Alexis Ahlstrom.

Sincerely,

Douglas Holtz-Eakin  
Director

cc: Honorable John M. Spratt Jr.  
Ranking Member

Honorable John A. Boehner  
Chairman  
Committee on Education  
and the Workforce

Honorable George Miller  
Ranking Member

Honorable Carolyn McCarthy