



## Feinstein Opposes Small Business Health Insurance Bill That Would Override California's Own Comprehensive Insurance Requirements

*- Also calls for floor vote on long-delayed stem cell research bill -*

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*Washington, DC – U.S. Senator Dianne Feinstein (D-Calif.) today opposed legislation that would shift the nation toward insurance deregulation and bare bones insurance coverage. The bill, introduced by Senator Michael Enzi (R-Wyo.), would preempt many of health insurance benefits now required under California law.*

***“This proposal would leave millions of Californians without a guaranteed access to cancer screenings and treatment, diabetes coverage, the right to a second medical opinion if they request it,”*** Senator Feinstein said. ***“The legislation before us sets a ceiling, not a floor, for insurance coverage of vital services.”***

*Senator Feinstein further expressed dismay that during a week dedicated to debate on healthcare, the Senate has missed opportunities to act on stem cell legislation, insurance coverage for seniors, and prescription drug prices. Following is the statement Senator Feinstein inserted into the Congressional Record:*

“Mr. President, I rise today to speak about my concern for the 6.6 million uninsured individuals in California and the impact the Enzi Small Business Health Insurance bill (S. 1955) will have on both the uninsured and the insured in my state.

While the goal of this legislation is one I agree with – finding a solution to lower health insurance costs and greater access to health insurance for small business owners and their employees - I have serious concerns about the fundamental shift toward insurance deregulation and bare bones insurance coverage under the Enzi bill.

It is my understanding that some changes have been made in the substitute amendment to the Enzi bill but that those changes do very little to change the fact that this bill will result in a loss of covered benefits and an increase in costs for older, sicker workers.

While I respect the position of small businesses that support this legislation, I simply cannot support a proposal that I believe would result in higher costs for older, sicker workers and would result in a loss of covered benefits my State fought hard to guarantee.

My concerns are shared by a wide range of people. It was also the conclusion of the non-partisan Congressional Budget Office, forty-one State Attorneys General including the Attorney General of California, thirteen Governors, the California State Insurance Commissioner, the California Public Employees' Retirement System and countless national organizations such as the AARP, the American Medical Association, the American Cancer Society, and many more.

California has one of the most comprehensive set of required insurance benefits in the country. A partial list includes:

- Coverage of routine patient care costs of cancer clinical trials.
- Coverage of breast, prostate, cervical, colorectal and other cancer screening.
- Coverage of breast cancer screening, diagnosis and treatment, including prosthetic devices and reconstructive surgery.
- The right to a second opinion when requested by insured individual or health professional treating an insured individual.
- Minimum maternity hospital stay.
- Coverage of equipment, supplies (including prescriptions) and management of diabetes.
- Coverage of alcoholism and drug abuse treatment.
- Coverage of blood lead screening.
- Coverage of contraceptives approved by the FDA.
- Coverage of services related to diagnosis, treatment and appropriate management of osteoporosis.
- Coverage of domestic partners.
- Coverage of infertility treatment.

The legislation before us sets a ceiling, not a floor for insurance coverage of vital services. Amendments that have been discussed such as creating a 26-state benefit mandate threshold are a ceiling, not a floor. The reality is that any attempt to "harmonize" state benefit mandates will likely result in harm to Californians.

Just like legislation passed by the House last March called the "National Uniformity for Food Act" which I strongly oppose, this legislation preempts states rights. California voters and elected officials have determined what they think is best for the state and this legislation override the will of Californians whether they work for a small business or large one.

I am also concerned about the impact this bill will have on premiums for small business employees. California has rules to protect premium adjustments from increasing year to year beyond ten percent. And in California, insurance companies may set premium rates for employees based on only three risk factors: age, family composition, and geographic region.

Under this bill, not only will employees be subject to rating based on additional factors such as the size of business, gender and type of business, but California's age and geographic region limitations are preempted.

The new rating factors in the bill disadvantage certain small businesses and they disadvantage businesses with a high proportion of women of child-bearing age.

I find it deeply troubling that Senators on both sides of the aisle have been denied the opportunity to vote on amendments to address the problems with this legislation.

I'd like to address another healthcare issue that I have been deeply concerned about and that is stem cells. The Senate has spent a week dedicated to health care and yet, the Majority Leader has not scheduled a vote on embryonic stem cell legislation. It has been eight years since I introduced one of the first bills dealing with the ethical issues around stem cell research. It is almost one year (May 24) since the House passed the Castle-DeGette bill. It's been nine months (July 29) since the Majority Leader shocked the Senate and announced his support for stem cell legislation. But no bill has been passed by the Senate.

What we've learned over that period is that the more than seventy lines the President said were available when he set his policy in August 2001 are down to just over twenty. Those approximately twenty lines are contaminated with mouse feeder lines and they are old. They are of no therapeutic value.

We need more lines if we are going to untie the hands of researchers so they can do the research needed to learn about the biology of diseases, the restoration and repair of damaged tissue, and the development of treatment therapies. Time and time again researchers say they need more embryonic stem cell lines.

But, the leadership of the Senate and White House won't listen. They would rather obstruct the work of scientists who want to work with embryonic stem cells. The result is scientists moving to other countries to do their work.

The time to act is now. The price of inaction goes up every day. Since this fight began, we've lost:

- Christopher Reeve (October 10, 2004)
- Dana Reeve (March 6, 2006)
- 4 million Americans to cancer.
- 1.8 million Americans to diabetes.
- 144,000 Americans to Parkinson's.

I have heard opponents of embryonic stem cell research talk about the promise of adult stem cell research. No one I know is arguing that we shouldn't pursue adult stem cell research. That's why the senate passed the cord blood bill unanimously last year.

But, we must not fund this research to the exclusion of embryonic stem cells. There is no question that this country needs an effective stem cell policy -- both to provide federal funding for viable stem cell lines and to provide federal ethical guidelines.

It's simply appalling that here we have a week dedicated to a debate on healthcare and the leadership of the senate has not scheduled a vote on the Castle-DeGette, embryonic stem cell bill. I personally believe this week should be renamed the "week of missed opportunities" instead of "health week".

Instead of addressing problems associated with the Medicare drug benefit such as the amendment I filed to the pending legislation to protect seniors from insurance plans who may decide to end coverage of drugs they said they'd cover when the senior enrolled in the plan, we are doing nothing. Instead of allowing the federal government to use its bulk purchasing power to negotiate with drug companies to provide lower prices for seniors, we are doing nothing. Instead of addressing the fact that millions of confused seniors will face a penalty in Medicare forever if they are eligible and don't sign up for the drug program by this Monday, we are doing nothing.

And yet, we will have a cloture vote on a bill that will leave millions of Californians without a guaranteed access to cancer screenings and treatment, diabetes coverage, the right to a second medical opinion if they request it, among many others. All of those protections will be lost, and senators will have been denied without the opportunity to vote on any amendments to address the problems associated with this legislation.

It is a shame that the leadership of the Senate has allowed this week to become one of missed opportunities when we have bills such as the Castle-DeGette embryonic stem cell bill that have passed the House and are sitting at the President's desk waiting to be taken up and passed by the Senate."

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