



KEY VOTE

November 4, 2009

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of Associated Builders and Contractors (ABC), a national association with 79 chapters representing 25,000 merit shop construction and construction-related firms with 2 million employees, I write to express our strong belief that our nation's health care system is in desperate need of reform that will lower costs to all working Americans. However, ABC has grave concerns with the "Affordable Health Care for America Act" (H.R.3962), as this proposal fails to provide employers and their employees with health care solutions that are practical or affordable. **Due to these concerns and those stated below, ABC will consider final passage of this legislation a "KEY VOTE" for our 111th Congressional Scorecard.**

ABC strongly opposes legislative proposals that seek to impose healthcare coverage mandates. A "pay or play" mandate that would force employers to provide health care, or pay a hefty fine (an 8% payroll penalty) for not being able to do so, would stifle small businesses, especially during this economic downturn. The "pay or play" proposal is even more burdensome, in that employers are also mandated to pay the majority of employee premiums (72.5 % for single coverage and 65% for family coverage). A mandated level of coverage would directly result in premium increases making insurance more expensive for employers and employees.

ABC also strongly opposes a government-run public insurance plan. Whether reimbursement rates are tied to Medicare or are negotiated by the Secretary of Health and Human Services, this still remains a robust public option that will result in higher premiums and higher taxes. Our members do not want to replace the health care they have with something inferior that costs trillions of dollars in taxes and debt. The result of the government being in the market will result in less competition and less choice. The government plan will use their unfair advantages over competitors to decimate the private market for health insurance.

The Congressional Budget Office estimates this bill will have a total cost of \$1.055 trillion dollars over the next ten years, \$167 billion of that coming from penalties paid by individuals and employers. At a time when small businesses are struggling to keep their doors open this will guarantee they close their doors. The new taxes alone will stifle small business, the CBO is estimating \$729.5 billion total new taxes on small businesses, individuals who cannot afford health coverage, and employers who cannot afford to provide coverage that meet federal bureaucrats' standards. According to a model developed by Council of Economic Advisors Chair Christina Romer, 5.5 million jobs could be lost as a result of taxes on businesses that cannot afford to provide health insurance coverage.

To truly reform the health care system Congress must explore every means available to help reduce the cost on the American public. ABC believes medical malpractice tort reform should be included in any true health care reform package. By enacting tort reform we will see a dramatic decrease in the cost of health insurance for the American public. In addition, ABC strongly supports the inclusion of Small Business Health Plans (SBHPs) in any health care reform measure. SBHPs would allow workers in small businesses and the self-employed to join together to obtain the same economies of scale, purchasing clout, and administrative efficiencies from which employees of large employers and union sponsored plans currently benefit. The unique nature of construction demands that benefits be portable in order to reflect the reality of the industry workforce.

ABC believes that health care is best administered on free market principles and cannot support a government takeover of our health care system. For these reasons we call on Congress to vote "NO" when the "Affordable Health Care for America Act" (H.R.3962) comes to the House floor for a vote.

Sincerely,

M. Kirk Pickerel CAE
President and CEO
Associated Builders and Contractors