

Long Island Business News

August 5, 2005

Small Biz Health Groups Make Another Go at Congress

It should be easier for small businesses to afford health insurance for their employees if a bill passed last week by the U.S. House of Representatives ever makes it through the Senate. It's tried eight times over the years.

The legislation - now known as H.R. 525, or the Small Business Health Fairness Act - would allow smaller concerns to band together and set up association health plans, known as AHPs, much like larger companies and unions and governments now do.

The latest bill passed with a vote of 263 to 165, plus President George W. Bush's support and the strong backing of Rep. Nydia M. Velazquez, D-New York, the ranking Democrat on the House Small Business Committee. In every state and every district, the No. 1 concern of small-business owners is the rising health-care costs, she said in urging the Senate to quickly follow the House's lead. AHPs will provide an employer-based solution to help the sector of our economy that is being hardest hit in this health care crisis - small businesses.

Advocates say that AHPs would help small businesses provide benefits that attract quality workers and provide coverage for millions of uninsured workers. It would give a large regulatory role to the U.S. Department of Labor. There are some powerful critics out there who feel that such a changeover might do more harm than good and enable AHPs to bypass state regulation and oversight:

Georgetown University Health Policy Institute's Mila Kofman just released a study whose title says it all: Association Health Plans: Loss of State Oversight Means Regulatory Vacuum and More Fraud.

The American Diabetes Association also claims that AHPs would undermine state laws that now require health plans to provide diabetes education and supplies.

The American Association for People with Disabilities feels AHPs would sidestep state protections that restrict premium increases and groups with members having disabilities would be particularly targeted for increased premiums.

On the positive side are such small business advocates as the National

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Federation of Independent Business and U.S. Chamber of Commerce, ardent supporters of anything to help businesses grapple with health-insurance inflation.

As Velazquez points out, since 2000 these costs have skyrocketed by more than 60 percent. And small firms are where the problem's worst, since almost two-thirds of the 27 million workers who are uninsured are either self-employed or work for a small business with fewer than 100 employees.

On Long Island, Rob Rossiter, owner of One Source Services, an employee-benefits firm in Syosset, summed it up this way: As a broker, I represent and find what's best for my clients. I'd be fine with and get behind [AHPs], assuming it is credible coverage for my clients.

Source: Long Island Business News