

HEALTH CARE REFORM

Issue: Approximately 46 million Americans are without health insurance, many of whom lack even basic, preventive coverage. For the most part, the business community – which continues to experience double- and even triple-digit increases in health care premiums – supports efforts to contain costs, while making health care coverage more broadly available. Moreover, they remain opposed to mandatory coverage, or to a national health care program. President Obama is calling for a government-run insurance program that would compete with the private insurers. Now that both chambers of Congress is poised to merge different versions of health care reform in hopes of achieving one complete package that the president can sign, many contentious issues, including how to pay for this mammoth overhaul, are yet to be decided.

Background: For years, the IHA and other businesses and organizations serving the business community have endorsed the concept of establishing “pools” of small business health plans. Under a pool arrangement, or more recently dubbed “exchanges,” small businesses with little buying power would be able to band together through bona fide trade organizations or other organizations to pool their purchasing power to buy health insurance. These pools could offer fully insured plan options to their member companies across the country under a uniform set of rules, and would no longer be prohibited from negotiating rates across state lines. The pools would make health insurance more affordable for small businesses through reduced premiums and administrative costs vis-à-vis the status quo.

Status: On October 13, the Senate Finance Committee recently passed its version of a comprehensive health care bill. The Senate Health, Education, Labor & Pension Committee (HELP) passed its more liberal version of a health care legislation back in July. Now, Senate Majority Leader Harry Reid (D-NV) is leading discussions to merge the two overhauls. Meanwhile, the House of Representatives has three of its own considerably different committee bills it must merge – Education & Labor, Energy & Commerce, Ways & Means – before it can vote on a single bill. President Obama called upon Congress to have a bill ready for his signature by October, but that deadline will not be met. In fact, considering the incredible amount of work that still needs to be done to create the final documents that can be voted on, the timeline for Congress to finish a bill by the end of the year – *only 30 legislative days remain* – may not be long enough. Moreover, the public has not yet had an opportunity to see the legislation, consider its costs/benefits/consequences, and are likely to want to chime in on this truly historical legislative measure.

IHA Position: IHA continues to support health care reform that would help make health insurance more affordable and accessible for small businesses and the self-employed, without burdening small businesses with costly and expensive mandates. Allowing small businesses to band together through their bona fide trade associations, or through an exchange to purchase health care plans is a critical component for IHA support.

Other employer related issues that IHA members should be concerned about are:

- “Pay-or-Play” Requirement (Kerry Amendment) - Mandate requiring employers to provide all employees with health insurance coverage, or pay into a fund for their employees.
- Auto-enrollment provision requiring that all employees receive first day health care coverage (i.e., no waiting period).
- Inclusion of part-time workers under the pay-or-play requirements.
- Lowering the employee threshold for the small business exemption (somewhere between 25-50 employees).