

Alliance Alert

Winter 2012

Teal appointed to Alliance Board

Larry Teal, from the Clifton Park-based CPA firm **Accounting for All** has been named to the Employer Alliance Board of Directors effective September 2011.



Accounting For All provides businesses and their owners with oversight and guidance from a CPA perspective.

Larry Teal

Services include accounting and bookkeeping, tax return preparation, QuickBooks consulting and advisory services for small business clients throughout the capital area.

“As a small business owner myself, and working with such a variety of small business owners and sole proprietors, I see so many committed business owners who really struggle with New York’s high health insurance costs,” Teal said. “I look forward to speaking out on behalf of other small business owners across the state.”

Nickel and diming health care

Rising health insurance costs are forcing many Americans to get creative. Betty Brzuchac once used the refunds she collected from returnable bottles and cans to pay for medical procedures. Betty, who lives in Schenectady, is a semi-retired massage therapist.

“I paid thousands of dollars for many, many years so I would have health insurance coverage,” she explains. Eventually she switched to a high deductible plan covering hospitalization and opened a Health Savings Account and she tries to save as much as she can every month.



Betty Brzuchac

There is a downside to the “one size fits all” policy option that is forced upon small businesses in New York State. She paid costly premiums for services and treatments she did not use, but when she wanted to use her insurance for a medical eye procedure, it was not covered. Like many New York residents, she would like to see fewer mandates — a more flexible, less expensive product would be preferential to New York’s rich policy.

Betty and most self-employed individuals realize for those without health insurance, one serious medical incident could be devastating. She wonders if federal health reform is enough to really help most people and urges others to speak up if they truly want change. As one of the newest members of The Employer Alliance for Affordable Health Care, she knows that her story is frustratingly similar to many others.

On the Statefront

Mandate knowledge crucial as federal reform is implemented

More than four years have passed since New York State committed to study the cost and medical impact of health insurance mandate legislation before making it a law. What has happened to the Health Care Quality and Cost Containment Commission? The concept and monetary allocation have survived three different governors and a host of legislative changes. The commission is frequently cited by legislators and advocates alike as a necessary tool to make sound fiscal and medical decisions. Yet despite state rhetoric, the commission remains conceptual only. With federal health care reform enacted, New York's premium payers need it now, more than ever. Health insurance mandates will become increasingly problematic as long as the "basic" essential benefit package required under federal reform remains undefined. Mandates always cost money, and they could end up costing New York's small business community even more if New York includes its many mandated benefits in the essential benefit package to be offered through a New York Exchange. Both small businesses and the legislature need facts not conjecture. The mandate review commission would ensure that any legislation passed is both cost effective and in the best medical interest of consumers.

Tell Governor Cuomo — "Create the Health Care Quality and Cost Containment Commission before any more mandates are passed." Visit our website: www.employeralliance.com and click on the link to our Legislative Action Center to send the Governor an e-mail. And while you are there, use your PayPal account or credit card to further support our cause. Small businesses helped get this commission created, now let's get it staffed and open for business!

Financial Services replaces State Insurance Department

As part of the 2011 state budget, the state insurance and banking departments were replaced by a single entity, the Department of Financial Services (DFS). DFS has five main divisions:

- ◆ The Insurance Division will carry on the core functions of regulating all insurance activities in New York including life, property and health insurance.
- ◆ The Banking Division will continue regulating state chartered banks along with other financial services providers such as mortgage servicers and originators, check cashers, money transmitters and budget planners.
- ◆ The Real Estate Finance Division will focus on all aspects of the mortgage industry to ensure that the lessons from the recent financial crisis are learned and new reforms instituted.
- ◆ The Capital Markets Division will actively monitor the latest developments and products and help the department better police systemic risk.
- ◆ The Financial Frauds and Consumer Protection Division will protect and educate consumers of financial products and services and fight financial fraud.

Behind NY's Health Insurance

Bills for close to 100 different health insurance mandates are introduced by state lawmakers each year.

These proposals are addressed by the Assembly and Senate Insurance Committees, chaired



Morelle

by Senator James L. Seward, whose district includes Otsego and Fulton counties, and Assemblyman Joseph L. Morelle, (D) of the greater Rochester area.



Seward

Director's Column

Today's mandates will negate savings from federal reform

Jeff Subra, Owner, Eskay Metal Fabricating, Buffalo

Health insurance mandate legislation has always presented a unique problem for New York's small business sector. This problem now takes on a new twist as the state makes a transition to universal health care reform.

The intention of last year's federal Patient Protection and Affordable Care Act and Health Care and Education Reconciliation Act of 2010 was to increase accessibility and decrease costs through insurance industry reform. As the plan now unfolds, it's clear that a "basic" package of services to be covered by health insurance would prove costly to New York's premium payers because of our excessive number of health insurance mandates. I am referring to state legislation that regulates what types of treatments and services must be offered in every fully-insured health insurance package. The Council for Affordable Health Insurance has consistently ranked New York in the top 10 of "most heavily" mandated states for more than a decade.



Yet, even with the process of federal health insurance reform well underway, the State Legislature is taking measures that will knowingly negate any future savings. Last session New York expanded coverage for Autism Spectrum Disorder – creating a more expansive measure than one vetoed in 2010 by Governor David Paterson, who cited the additional \$70 million cost to New York State as his reason for rejecting it. The fact that every health insurance mandate increases costs is not new, but what has changed is the federal government's effort to establish a uniform, basic package. If it is determined that some of New York's more costly mandates — like mental health parity and chiropractic care — are not considered "basic" medical needs, New Yorker's will face two possible choices: accept coverage restrictions and greater out-of-pocket costs as New York's package of required benefits is aligned with federal standards (not likely as lawmakers will be hard pressed to take away benefits people already have), or have the state use scarce general funds and increase taxes to pay for these "extra" services.

As we enter a new session history will, most likely, repeat itself with legislators introducing nearly 100 different types of mandates. Democrats and Republicans alike should instead focus on the implementation of federal reform and meeting the goals of that reform: greater affordability and accessibility of health coverage for more New Yorkers.

Mr. Subra is the owner of Eskay Metal Fabricating in Buffalo and SpecialityStanless.com. He is also a certified Emergency Medical Technician and is a member of the Employer Alliance board of directors.

Task force confirms

New York's Laws Outdated

When the US Preventative Services Task Force issued a recommendation against routine cancer screenings earlier this year, the immediate backlash revealed more questions than answers. Whether pre-emptive screenings are determined to be healthy or not, people fortunate enough to have health insurance are already paying for a procedure that some experts say does more harm than good.

New York is one of 36 states that requires health insurance companies to include prostate screenings as part of every package sold. A law that requires this screening to be covered was passed in the wake of former NYC Mayor Rudy Giuliani's cancer diagnosis – despite being contrary to American Cancer Society recommendations at the time. This, like many mandates, was an emotionally charged issue that resulted in medically flawed legislation ultimately paid for by New York's small businesses.

If evidence related to health and risks are not powerful enough to dissuade lawmakers from repeating this mistake, federal health care reform offers yet another reason to “first do no harm.” Much of federal health care coverage is predicated around the contents of an essential health benefits package that will outline what specific treatments and services are considered “necessary.”

Have the new prostate findings served as a learning experience? Unfortunately not. Since 1997, the Employer Alliance for Affordable Health Care has protested the Legislature's support of health insurance mandates because of facts related to both cost and medical efficacy. Especially now, with federal health care reform underway, the state Legislature should focus on setting government policy, not practicing health care. The true lesson from this latest debate has less to do with men's health and more to do with whether or not state lawmakers are willing to learn from their mistakes.

The Employer Alliance for Affordable Health Care
PO Box 1412
Albany, NY 12201-1412
www.employeralliance.com

Thank you!

To all the members who contributed to our 2011 fundraiser. All proceed will be used to sustain our advocacy efforts.

Accounting for All
Anker's Auto Service
Armstrong Mold Corp
Carr Marketing Communications
Crystal Grove Diamond Mine
Delavan Center
Edward Arnold Scrap Processors
Hacker's Packers
Hanky Panky Ltd.
Har-Rob Fire
Jerry Brown's Auto Parts
Keller & Company
Kenneth Morrow
Maxwell's Michael Mastrotaro
Merle Heifers, LLC
Merritt & Harris, Inc.
Napa Auto & Truck Parts
NFIB
OA Borden & Sons
Oldies But Goodies
Palmer Pharmacy
Professional Furnishing &
Equipment
Reid Petroleum
Reynolds Drapery Service
Robert Miller Construction
Rockland Business Association
Sharp General Contracting
Sheber/Wright, Inc.
The Otsego County Chamber
True Insurance
US Bound Company
USA Bond Co.
Warner's Gas Service