

# Alliance **ALERT!**

Winter/Spring 2008

## **Proposed Budget Increases Costs to Small Business**

The proposed 2008-09 budget plan includes provisions that will directly increase the costs of health insurance premiums that are paid by New York's small businesses. The Alliance is asking its members to speak out against these provisions before the final budget is passed.

The original proposal included an increase of \$140 million in the Covered Lives Assessment — a surcharge paid on every health insurance policy and premium tax on some health insurers. Ultimately both of these provisions will be passed along to the consumers, further exacerbating a 10 year trend of double-digit premium increases.

Amendments to the original budget call for the increase in the Covered Lives Assessment to go from \$140 million to \$190 million. This is a 22% increase over the current funding level and puts the total covered lives tab at more than \$1 billion.

"We can't afford to be the silent majority," said Chair Jeff Leland. "With small and medium sized businesses in New York struggling to provide health insurance coverage and state leaders who have called for expanding health insurance coverage to all New Yorkers, it doesn't make sense to propose taxes that will make it even harder for business to offer coverage at all." Members can find more information about these issues, as well as pre-written letters for their lawmakers, on our website: [www.employeralliance.com](http://www.employeralliance.com).

### **Flawed Mandate Endangers Federal Dollars**

New York stands to lose millions of dollars in federal funding unless legislators repeal flawed cancer screening legislation that subjects millions of women to costly, unnecessary tests each year.

Chapter 771, which passed in 1992, requires coverage of annual cervical cancer screenings (Pap Smear) for women age 18 and older. The legislation is out of compliance with medical guidelines that support less frequent testing for women who have tested negatively for two to three consecutive years. Each year millions of women undergo annual screenings that they don't need, including 77,000 uninsured or impoverished women who qualify for a screening through a \$7.4 million state program, partly funded by the federal government.

The Alliance has called on state lawmakers to repeal this flawed legislation and to stop situations like this from occurring in the future by subjecting any proposal that would mandate coverage to the scrutiny of the Health Care Quality and Cost Containment Commission before it comes up for vote.

### **2007 Chamber of the Year**

The Alliance has recognized the Fulton County Regional Chamber of Commerce and Industry, in Gloversville, as the 2007 Chamber Advocate of the Year.

Selection was based on the long-standing contribution and support received from individual chamber members and for President Wally Hart's behind-the-scenes contribution in helping to establish the Health Care Quality and Cost Containment Commission, which will give New York State a long overdue mechanism to study health insurance mandate legislation before passage.

## **Testimony Focuses on Small Business Concerns**

The small business community should be supported, not penalized, in any decision that New York State makes to enact a system of universal health care.

This message is being delivered by the Employer Alliance for Affordable Health Care as part of the Partnership for Coverage hearings taking place throughout New York State.

Chairman Jeff Leland testified on behalf of Alliance members at the first hearing in Glens Falls back in September, while Executive Director Pamela Finch backed up his presentation several months later in Syracuse. The Alliance recommended several incremental steps that could be taken to protect the livelihood of small business, including:

- ★ A broad-based approach to underwrite subsidized coverage
- ★ Elimination of the Covered Lives Assessment
- ★ Allow small employers to purchase “mandate lite,” high deductible policies
- ★ Share savings dividends with employer
- ★ Enhanced consumer responsibility for personal wellness

## **Rebate Appears in Fourth Quarter Premium Notices**

More than \$100 million has been returned to premium payers as part of an unprecedented provision in the Mental Health Parity mandate to address the unique needs of small businesses.

This provision, included at the request of the Employer Alliance for Affordable Health Care, allows businesses with 50 and fewer employees to be fully reimbursed for their cost of complying with the 2006 Mental Health Parity mandate. This law expanded coverage of mental health services and originally threatened to place a significant financial hardship on the small business community.

Lawmakers listened to our concerns and approved a narrower version of the legislation that provides some relief by reimbursing businesses of 50 and fewer employees for the costs of compliance, by using money from the state’s General Fund. This fall, the money finally came through with many business owners receiving an average refund of \$5-\$6 per policy holder per month in their most recent billing, with the exact amount based on their geographic location. The precedent is set. Legislators can no longer argue that small businesses are not hurt by mandates, but instead, must consider options that offer relief.

## **Changes & Challenges**

*by Jeff Leland, chair*

There is no time to look back on our highly successful 2007, New York is rapidly moving toward a system of universal health care coverage and we are at the forefront of protecting small businesses. In the past six months, we have actively supported health care initiatives that will protect, not penalize, small business owners who offer employer-sponsored coverage. We are monitoring various fees and taxes to help offset the health care system, to determine a course of relief.

While it remains a fluid time in our state’s Capital, this is also a time of transition within our coalition with Executive Director Pamela Finch leaving to assume a position at the Business Council of New York State. We will be looking among our membership for a new grassroots coordinator and in the meantime, bracing for a new year, new challenges and future success.

### **The Employer Alliance for Affordable Health Care seeks**

an energetic, creative individual to coordinate grassroots, public relations and membership activities.

Background should include public relations experience, an ability to work with a varied membership and a familiarity in health care issues. Some travel required.

Send resumes to  
PO Box 1412, Albany, NY  
12201-1412 or  
[employeralliance@yahoo.com](mailto:employeralliance@yahoo.com).