

Congress to again hear small biz health plans

WASHINGTON (AP) — The idea sounds like something every politician would like: Make it possible for lots of small businesses, in multiple states, to join together to buy better, cheaper health insurance for their employees.

Lawmakers have tried to make it happen year after year, only to see it get tangled up in the long-running fight over patients' rights. But this year the effort is likely to get a friendlier reception on Capitol Hill than it has in a long time.

Small business owners believe their health insurance premiums would plummet if they were allowed to pool together and buy insurance through "association health plans," which are now available only in some states.

Cape Girardeau, Mo., beer distributor Billy Bess believes it would cut his health insurance costs by 40 percent or more.

"Competition makes everything better," says Bess, who as president of Bluff City Beer Co. has 48 full-time employees on his payroll. "In these rural areas, you don't have six or seven major HMOs or PPOs. You've got one or two, and they know they've got the major market share.

"There is no incentive for them to lower their costs," Bess says.

He paid \$111,000 three years ago and pays \$144,000 today to cover all of his workers' costs and one-third of their families' costs. He's switched providers and bought a plan with less coverage, but he's unwilling to make workers pay part of the cost.

"In order to maintain quality employees, you have to offer good benefits," Bess says. "They would end up shopping, trying to go someplace else. You get into a vicious cycle, where you constantly rehire new employees — and training costs can be devastating to a company — until they find a better job that offers cheaper health care."

Opponents of the plans argue they would actually drive up costs. Because the small-business plans would come under federal regulation, they would not be governed by patient protections under state law.

"The intention is a great one, but the policy underlying this is terrible. It will hurt many more people than it helps," says Jack Ericksen, a lobbyist for Blue Cross and Blue Shield Association, which coordinates chapters that provide health insurance for more than 80 million Americans. Bluff City Beer is a former Blue Cross customer.

"The only way they really get costs down for everybody is by cherry-picking the healthier folks out of state pools and doing away with mandated benefits," Ericksen said.

The government says these workers — employees of small businesses and those who are self-employed — account for about 60 percent of Americans who have no health insurance. In all, 41 million people in the U.S. are uninsured.

Missouri Republican Sen. Jim Talent argues that allowing the small-business pools would make a huge dent in those numbers.

"We're talking about millions of people nationally, and tens of thousands of Missourians, getting good health insurance who don't have any now, or getting better health insurance at lower prices," Talent says.

"Imagine what would happen if everybody in the private sector who worked had access to the same kind of health insurance that Anheuser-Busch or Emerson Electric or Hallmark or Leggett & Platt offer their people," Talent said, ticking off a list of major Missouri-based corporations.

Talent's election to the Senate last fall is a major reason the small-business plans may gain ground in Congress. Talent championed association health plan measures in the House, which passed them several times. He even promoted them during his recent brief stint as a lobbyist, when one of his clients was the National Federation of Independent Business.

The Missourian's win also tipped Senate control to Republicans, who have been more receptive than Democrats to the idea. President Bush wants the small-business plans, too.

